THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Limitations and Duties of an Opposition

By J. D. Monro

Why Chinese Are Suspicious of British Policy!

Is Japan Preparing for War in Manchuria?

By John Steele

Why Japan and England Cannot Renew Their Alliance

By C. T. Liang

Shanghai—Silk and Filature Center of China

By Paul K. Whang

The New Northern Drive

By J. B. P.

密勒氏評論報

SATURDAY, OCTOBER 22, 1927

THIRTY CENTS A COPY

Vol. XLII No. 8.

Millard Publishing Co., No. 4 Avenue Edward VII, Shanghai, China 上海愛多亞路四號密勒氏評論報館

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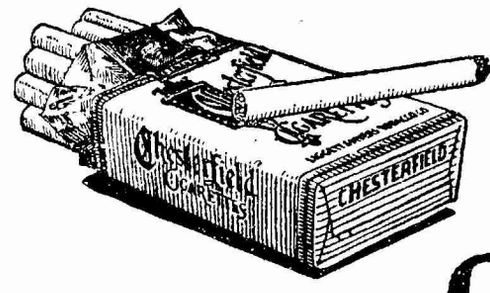

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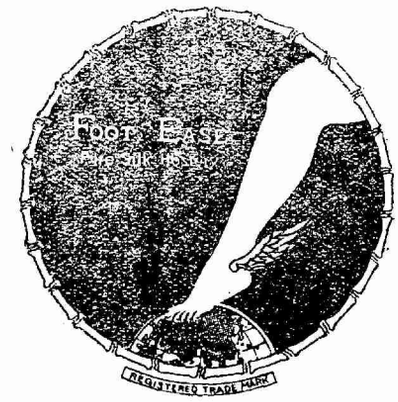

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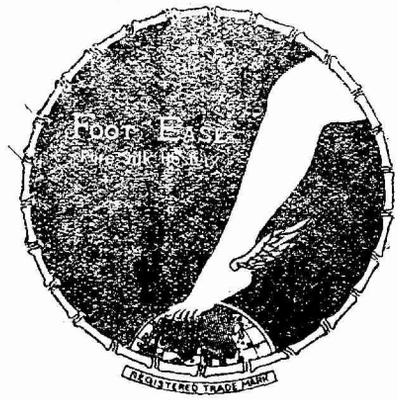

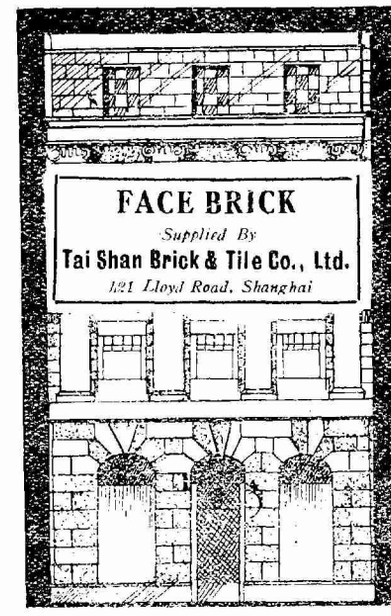

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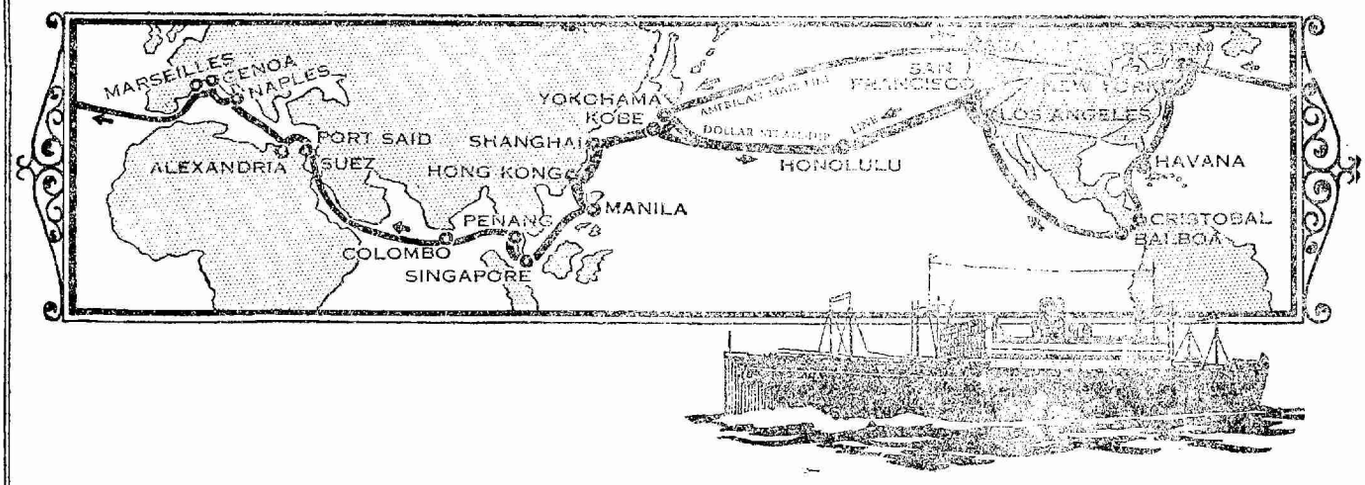

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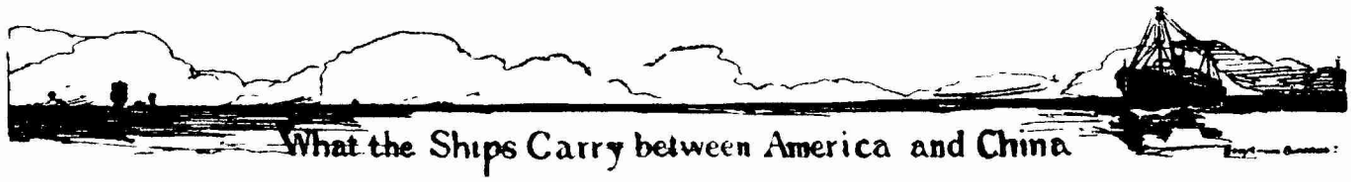

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds. Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls., Oct. Customs Rate Tls. 1.45 equal Gold $1

INDEPENDENCE,

September 17.

from U. S. A.

Satteen Cretonnes, Printed	Yds.	550
Cotton, Raw Bls. 88	Pls	323
Steel Pipes	,,	28
Tinned Plates, Old	,,	625
Carbon, Black	,,	141
Flour, Corn	,,	26
Leather, Calf	,,	4
Tobacco, Prepared in Tins	,,	4
Oil, Lubricating, Mineral	Galls.	6,205

EMPRESS OF CANADA,

September 19.

From U S. A.

Shirtings:		
Grey, 12½ lb.	Pcs.	5,000
Flannel:		
Grey, 32½ in. by 31 yd.	,,	1,700
Grey, 40 in. by 31 yd.	,,	1,700

WEST NOMENTUM,

September 19.

from U. S. A.

Flour, Wheat American	Pls.	1,691
Softwood, Ordinary, Sawn	Sup. ft.	512,659
Softwood, Rough Hemlock logs	Sup. ft.	65,330
Softwood, Merchantable	Sup. ft.	144,877

PRESIDENT MONROE,

September 20.

From U. S. A.

Cotton Thread, Embroidery	Pls.	44
Copper Sheets, Polished	,,	30
Zinc Sheets, Polished	,,	8
Iron Trunk Tacks and Nails	,,	22
Steel, Galvanized:		
Bolts and Nuts	,,	18
Tinned Plates, Plain	,,	1,005
Asparagus Canned	,,	46
Bristles, Fibre	,,	8
Canned Fruits	,,	140
Grapes, Fresh	,,	18
Gum, Shellac	,,	3
Indigo Paste, Artificial: 20 per cent.	,,	135
Ink, Printing	,,	25
Leather, Calf	,,	22
,, Patent	,,	5
,, Sole, Shoulders	,,	72
Leather, Sole, other kinds	,,	309
Malt Extract	,,	9
Oranges, Fresh	,,	216
Paper, Blotting	,,	12
,, Coated	,,	92
,, Printing, Wood-free	,,	8
Paper, Unclassed	,,	624
Raisins	,,	19
Soap, Laundry	,,	14
Soda, Silicate of	,,	302
Tobacco, Prepared in Tins	,,	3
Oil, Lubricating, Mineral	Galls.	19,877
Lemons, Fresh	Mille	5
Bedsteads, Iron	Pcs.	120
Clocks	,,	150
Grapes, Fresh	,,	4,800
Treasure:		
Silver Bars	Hk. Tls.	2,254,026

From Honolulu.

Canned Fruits	Pls.	39

SHINYO MARU, Sept. 21.

To New York.

Silk, Raw, Steam Filature: White,	Bls. 85	Pls. 85.41

To San Francisco.

Silk, Piece Goods	,,	1.95
Tea, Green:		
Young Hyson, other Ports	,,	3
Gunpowder, Ningpo.	,,	266
Earthenware	,,	23
Rugs	Pcs.	600
Eggs, Fresh	Mille	20

FUJI MARU, September 21.

from U S. A.

Iron Hoops, Used	Pls.	499
Steel, Galvanized: Wire Shorts	,,	679
Tinned Plates, Old	,,	34
Timber:		
Softwood, Ordinary. Sawn	Sup ft.	959,876
Softwood, Merchantable,	,,	966,976

SIBERIA MARU,

September 23.

from U. S. A.

Leather, Calf	Pls.	5
Milk, Condensed	,,	720
Oil, Lubricating, Mineral	Gall's.	7,256

ARGUN MARU,

September 23.

Tinned Plates, Plain	Pls.	945
Steel Sheets, under ⅛in. thick	,,	716
Steel, Galvanized: Sheets, Plain	,,	310
Cotton, Raw Bls. 7,948	,,	18,769
Tobacco, Prepared, in Tins	,,	4

PRESIDENT MADISON,

September 24.

From U. S. A.

Lead, in Pigs	Pls.	2,524
Steel Wire Netting	,,	2
Asparagus, Canned	,,	152
Butter	,,	5
Cod-fish	,,	2
Canned Fruits	,,	165
Hams	,,	2
Leather, Calf	,,	8
Leather, Sole, Shoulders	,,	182
,, Unclassed	,,	3
Milk Powder	,,	104
Oil, Salad	,,	8
Paper, Unclassed	,,	1,509
Sodium, Thissulphate	,,	180
Motor-cars	Pcs.	1
Milk, Powdered	Doz.	43
Lemons, Fresh	Mille	45
Treasure: Silver Bars	Hk. Tls.	691,078

CITY OF RANGOON,

September 24.

From U. S. A.

Steel Sheets	Pls.	604
Steel, Galvanized: Sheets Plain	,,	5,026
Wire Shorts	,,	2,555
Tinned Plates, Plain	,,	2,446
Ammonia, Sulphate of.	,,	840
Grease	,,	94
Paper, Unclassed	,,	778
Oil, Lubricating, Mineral	Galls.	31,771
,, Transil	,,	3,560
,, Transformer	,,	1,080

FUJI MARU, Sept. 27.

To New York.

Silk, Raw, Re-reeled: White, other Ports	Bls. 70	Pls 71.40

To San Francisco.

Cotton, Rags	Pls.	1,358

To Charleston.

Bags, Gunny, Old	,,	410

ARGUN MARU, Sept, 28.

To Boston.

Hair, Human	Pls.	50

To Philadelphia.

Wool Sheep's	,,	92

To New York.

Tea, Green:		
Hyson, other Ports	,,	28
Young Hyson, Kiukiang	,,	60
Young Hyson, other Ports	,,	19
Gunpowder, Kiukiang	,,	4
Gunpowder, Ningpo	,,	651
Antimony, Crude	,,	773
,, Regulus	,,	420
,, Oxide	,,	672
Bristles, Assorted	,,	8
Egg Albumen, Dried	,,	68
,, Yolk, Dried	,,	84
Tallow, Vegetable	,,	840

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—A general bearish feeling permeated our market throughout the past week, evolving a steadily downward tendency and registering at the close a price level of about Tls. 1.00 to Tls. 1.25 per picul lower than the average current as last reported. This may be ascribed to no other cause than the influence of the continued weakening of Mid-Americans and Indians, as well as to the depression in the yarn markets brought about by the uncertainty as to the political conditions.

The U. S. Bureau report of the 8th. October, 1927, indicating the estimate of cotton production at 12,678,000 bales is undoubtedly engendering a bullish outlook, and as to whether prices will decline or advance in the near future seems to depend upon whether those who own this crop will be more eager to sell than spinners are to buy.

Having the above in view, it is difficult to predict with any certainty the immediate future trend of the market, yet it is permissible, viewing past and present conditions, to foresee no very sharp upward or downward fluctuations in the near future, and until the situation will shape itself in one way or the other in a more decided manner, conservatism should be the keynote of any operations entered into at the present time.

Yarn:—We have had an easier market during the past week, with prices declined some one to two taels as compared with those ruling during the previous period. Business for export has been booked some 4000 to 5000 bales in all counts for spot and forward deliveries during the period under review.

Liverpool:—

American-Middling	11.54
American-Middling last reported	11.14
Tone of the Market,	*Steady*

New York Market:—

Price of Mid-Amer.	21.25 Spot.
	20.99 Oct.
	21.08 Dec.
	21.34 Jan.
	21.54 Mar.
	21.40 May.

Tone of the market—*Steady*

Indian Market:—

Fully Good Bengal, D./J.	337
Fine Oomra, July	374
Fully Good Broach, J./A.	407

Tone of the market—*Steady*

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	38.40
Shangh i, Spot	37.75
M. Ginned, Spot	38.00
Shensi, No. 1 Spot	39.00
Ningpo. Spot, Exwharf.	33.20

Tone of the market—*Steady*

Shanghai-Nanking Railway Abridged Time Table.

Main Line—Shanghai-North to Nanking.

UPWARD

STATIONS		Local	Fast	3rd & 4th Local	Express	3rd & 4th	Local	Fast	Local	Local	Local	Night Express
Shanghai North	dep.		7.00	7.20	8.50	9.05	12.15	12.40	14.20	16.10	18.10	21.30
Nansiang	,,		7.28	7.50	—	9.39	12.44	13.08	14.59	16.41	18.42	22.04
Anting	,,		7.49	8.19	—	10.10		13.30	15.30	17.03	19.07	—
Kunshan	,,		8.17	8.48	10.11	10.51		14.04	16.08		19.44	—
Soochow	,,		9.11	9.53	10.54	12.04		14.57	17.14		20.36	24.00
Wusih	,,	6.35	10.13	11.05	11.50	13.30		15.50	18.28		21.35	1.14
Changchow	,,	7.51	11.14	12.07	12.47	14.48		16.55	19.32			2.30
Tanyang	,,	8.58	12.16		13.40	15.58		18.00				3.35
Chinkiang	,,	10.05	13.10		14.23	17.09		19.00				4.40
Nanking	arr.	12.05	14.45		15.40	19.19		20.30				6.25

Main Line—Nanking to Shanghai-North.

DOWNWARD

STATIONS		Local	Local	Local	Fast	Express	Local	3rd & 4th Local	3rd & 4th	Fast	Local	Night Express
Nanking	dep.				7.05	9.10			9.25	12.30	16.35	21.30
Chinkiang	,,				8.46	10.46			11.40	14.30	18.54	23.43
Tanyang	,,				9.28	11.25			12.45	15.28	19.50	0.32
Changchow	,,		6.45		10.36	12.39		13.05	14.08	16.44	21.11	2.10
Wusih	,,	5.30	7.55		11.45	13.32		14.20	15.45	17.47	22.15	3.21
Soochow	,,	6.26	9.09		12.45	14.26		15.45	17.10	18.51		4.35
Kunshan	,,	7.19	10.13		13.32	15.03		17.10	18.24	19.42		—
Anting	,,	7.51	10.47		14.04	—	17.15	17.45	19.09	—		—
Nansiang	,,	8.15	11.12	13.15	14.24	—	17.37	18.09	19.40	20.31		6.06
Shanghai North	arr.	8.40	11.37	13.44	14.50	16.00	18.03	18.42	20.10	20.55		6.30

From the 25th May, 1927.

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Shanghai North to Zahkou DOWN — **Main Line** — Zahkou to Shanghai North UP

STATIONS		Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp. R	Local	STATIONS		Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local	Night Exp. R	Local
			*	*	*	*	*				*	*	*	*			
Shanghai N.	d.		8.05	9.15	13.30	15.35	18.30		Zahkou	d.		7.15	9.05	13.35	15.25	17.45	
Jessfield	d.		8.21	9.32	13.46	15.51	18.46		Hangchow	d.		7.40	9.40	14.00	15.51	18.10	
Siccawei	d.		8.27	9.40	13.53	15.58	18.53		Changan	d.		8.32	11.05	15.06	17.03	19.02	
Lunghwa J.	d.		8.40	10.02	14.07	16.14	19.05		Yehzah	d.		9.03	12.03	15.43	17.46	19.33	
									Kashing	d.	7.35	9.44	12.57	16.32	18.25	20.15	
Shanghai S.	d.		8.15	9.30	13 40	15.45	18.40	19.35	Kashai	d.	8.06	10.08	13.35	16.59	(a)	20.41	
Lunghwa J.	a.		8.34	9.49	13.59	16.06	18.59	19.54	Sungkiang	d.	9.15	11.01	14.48	17.58		21.36	
Sungkiang	d.		9.20	11.00	14.53	17.08	19.45		Lunghwa J.	d.	10.11	11.41	15.53	18.47		22.16	8.41
Kashai	d.		10.09	12.07	15.48	18.10	20.38		Shanghai S.	a.	10.30	12.00	16.12	19.07		22.35	9.00
Kashing	d.	7.40	10.40	12.49	16.23	18.35	21.10										
Yehzah	d.	8.25	11.14	13.40	17.03	(a)	21.44		Lunghwa J.	d.	10.10	11.42	15.48	18.45		22.17	
Changan	d.	9.18	11.49	14.32	17.44		22.19		Siccawei	d.	10.19	11.49	15.57	18.54		22.24	
Hangchow	d.	10.34	12.45	16.00	18.55		23.15		Jessfield	d.	10.26	11.56	16.05	19.01		22.31	
Zahkou	a.	10.50	13.00	16.25	19.10		23.30		Shanghai N.	a.	10.40	12.10	16.20	19.15		22.45	

Konzenchiao-Zahkou — (Kiangshoo Branch Line) — Zahkou-Konzenchiao

Konzenchiao	d.	7.05	9.30	11.45	13.50	17.30	21.50	Zahkou	d.	8.15	10.35		15.10	18.35	22.55
Kenshangmun	d.	7.21	9.48	12.01	14.10	17.46	22.06	Hangchow	d.	8.34	10.54	12.38	15.29	18.58	23.18
Hangchow	d.	7.38	10.00	12.12	14.23	18.03	22.18	Kenshangmun	d.	8.46	11.06	12.51	15.46	19.11	23.31
Zahkou	a.	7.55	10.20	(a)	14.40	18.20	22.35	Konzenchiao	a.	9.00	11.20	13.05	16.00	19.25	23.45

Note:—The four East Local Trains suspened running until further notice.
Trains marked with* are in connection with S.N.L. Trains at Shanghai North.
R—Restavrant.

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密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華郵政特准掛號認立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

VOLUME XLII SHANGHAI, CHINA, SATURDAY, OCTOBER 22, 1927 NUMBER 8

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 4 AVENUE EDWARD VII, SHANGHAI CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher
LIZEN SCHENG, Advertising Manager

CONTRIBUTING EDITORS

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

AMERICAN OFFICE
WORLD WIDE NEWS ASSOCIATION
303 Fifth Avenue, New York City
Telephone: Caledonia 5300: Cable Ad: Scholzem, N. Y.
PACIFIC COAST OFFICES (World Wide News Association)
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WHY CHINESE ARE SUSPICIOUS OF BRITISH POLICY

SIR FREDERICK WHYTE, former member of Parliament and President of the First Indian National Assembly, delivered in Shanghai last week a most notable and significant address on the subject of British policy toward China wherein he offered sound advice to both the Chinese and the British. In his advice to the British residents in China he suggested that in making representations to the British Government and to home organizations on the subject of British policy toward China they should always make it clear that they are aware of a new China which is gradually on the ascendency even though they themselves are victims of that new situation. In speaking to the Chinese he said, "Not a few Chinese are apt to believe that the chief obstacle to Nationalism in China lies in the so-called unequal treaties. But though the revision of the existing treaties is desirable and essential, it would not solve China's troubles. The next step towards a solution of China's difficulties lies not so much in the region of relations between Chinese and foreigners as in the internal conditions of China herself."

IN TRACING the transition of British policy from imperialism to liberalism, from Joseph Chamberlain to Austen Chamberlain, from the China Boxer Rebellion and the Boer War to the Locarno Treaties of the present day, Sir Frederick Whyte declared in the course of his address that while it was impossible to entirely dissociate the present, from the past, there was no questioning the fact that British policy has changed or that nine people out of ten in England appreciated the significance of the spirit of nationalism which is sweeping from Angora to Yokohama. This nationalistic movement had its origin in Europe, he explained, and is now spreading throughout Asia. It exists in India and it exists in China, and Britain recognizes it. Sir Austen Chamberlain's Note of last December recognizes this situation and expresses the new British policy. The Note of last December is Britain's policy. "I believe that my convictions regarding the future of national movements are so deeply rooted in the British mind that nothing can uproot them. Though the party in power is conservative, its policy is liberal. Britain is acting in good faith and wishes China well. If any responsible party in China today can state to me its belief that the British Government is acting in good faith, I can undertake to carry to England my belief that the future relations between China and Great Britain may be placed on the right basis."

IN CONCLUDING his address, Sir Frederick Whyte admitted that he had gone further than he had originally intended in his exposition on British policy and particularly in his advice to his own nationals, saying, "If I am to judge from certain manifestations in the press, there are points which are disputed." It was here that he touched upon the real reason for Chinese suspicion of British policy. We mean by this that the Chinese, until the arrival of Sir Frederick Whyte, have had no way of finding out just what British policy was, or just what kind of British policy was being applied to China. As one writer put it last spring, Great Britain has two policies, one open and above board which expresses the real sentiments of the British people toward the Chinese people and another policy, subterranean and under-handed, which is manufactured in Shanghai and in certain other obscure places in London and in India, which is a hang-over from the old imperialism of a quarter of a century ago. It's the old imperial "die-hard" policy which the Chinese people have been hearing about rather than the open and frank policy which expresses the sentiments of the British people and which Sir Frederick Whyte has been attempting to interpret to the Chinese and to the local British residents. It may have been a mere coincidence, but on the day preceding Sir Frederick Whyte's address in Shanghai the *North-China Daily News* published a letter in its correspondence columns signed by one Bruce Lockhart, a local spokesman for die-hard interests in which Mr. Lockhart stated, "a solvent for our troubles might be if uplifters and busybodies in general would dissolve and fade away out of China, leaving the Chinese and the business foreigners to deal with each other, without the position of the latter being undermined and weakened by men of their own race, own country, and own Empire." This attack on Sir Frederick Whyte and the liberal British policy was but a sample of what has been going on here for many months and recently was further exemplified in editorials in the *North-China Daily News*, the local 'official' British organ which boldly advocated the creation of incidents by foreigners in Shanghai in order that the British Government would be forced to use its troops in re-establishing the old position of the foreigner in China. Then if one wants further evidence, we find it in the series of articles which another British newspaper, the *Shanghai Times* has been publishing under the name of *Putnam Weale*. Putnam Weale is a Briton who was born in China and has been a propagandist for British imperialism and Chinese militarism for years. At the present time Putnam Weale is openly serving on the staff of the bandit-militarist Chang Tso-ling. But despite this, the *Shanghai Times* continues to exploit Weale's articles and even goes to the extent of reprinting his articles in pamphlet form in order that local die-hard advocates may purchase them for general distribution. One recent pamphlet of this description is of particular interest because in it Weale attempts to discredit and undermine the statement of British policy which was covered in Sir Austen Chamberlain's Note of last December. When this sort of thing goes on in Shanghai is there any wonder that the Chinese are suspicious of British policy; that the Chinese generally consider the British to be hypocritical when their home Government talks friendship and conciliation and British nationals and their press out here talk another language of hatred and contempt, toward all things Chinese. If the British are really desirous of dispelling the suspicion which exists in the minds of the Chinese regarding their policy, they can do so by informing the Chinese that it is British home policy which is being applied here and not British policy which is manufactured by local die-hard interests which are still living in the dark ages of a quarter of a century ago and really are farther away from Chinese opinion than are the people of England and America.

ANOTHER FUTILE FOREIGN PROPAGANDA!

THE ATTEMPT which is now being made on the part of certain British interests to discredit the so-called "Sun Yat-sen Principles" strikes us as being most puerile and likely to have an effect quite contrary to that which the promoters intend. Dr. Sun Yat-sen undoubtedly made mistakes and many of his political declarations may appear foolish when judged by western standards. But it seems to us that the attempt on the part of certain British interests to deliberately set out through propaganda means, to discredit Dr. Sun and his principles, is most foolish and worse, is likely to cause more hatred among the considerable number of intelligent Chinese who look upon Dr. Sun as a real patriot. Dr. Sun was not perfect by any means, but it is up to the Chinese rather than the foreigners to pick holes in his political philosophy. When foreigners deliberately start out to discredit any Chinese leader, as a certain group is now doing in respect to Dr. Sun, the Chinese are certain to place their own interpretation upon the motives. This is one place where the Chinese never can be fooled, so if the British want to consolidate Chinese public opinion behind the Sun principles, the best way to do it is to continue their propaganda attempt to discredit him. One would think that the British had learned something on this question in India where they started out to persecute Ghandi and ended up by making a national hero of him. Their attempt here to discredit Sun Yat-sen and his principles will probably have the same effect and in all probability will hasten the adoption of the Sun teachings as text books in every school in the land. Left to themselves, with their fondness for disagreeing, the Chinese might develop genuine differences in respect to the Sun Yat-sen panacea, but now that the British, or at least a certain element among the British in Shanghai have started out to deliberately ridicule and discredit Dr. Sun and his teachings, the chances are that they will hasten his deification in the minds of the Chinese generally.

THE CHIEF PROBLEM OF THE NATIONALISTS

RECENTLY we have been reading in the newspapers of hurried trips on the part of officials of the Nationalist Government at Nanking, to Hankow and of conferences held there with other officials and then hurried trips back to Nanking and Shanghai and so on. We read of emissaries being dispatched from Nanking to Canton and from Nanking to Honan and to Shansi and so on, the amount of money being spent on travel probably running to a considerable figure. The reason for all this hurrying back and forth on the part of executive officials who should be at their posts is due to the difficulty which the civilians in the government experience in keeping the various factions lined up and loyal to the central authority. Foreigners observe these manifestations with feelings of disgust, pity or amusement depending upon the attitude of the observer, but to the Chinese leaders who are seriously trying to bring order out of chaos, it must be heart-rending, for no sooner is a government set up in one place than trouble breaks out in another. It's like trying to

repair a dam: the officials patch up one break only to find a new one starting somewhere else. They form a "unified" government in Nanking only to find that new rebellions are brewing at Hankow and Canton. The fundamental trouble of course is due to the military elements who refuse to stay put, but it is not correct to place all of the blame on the generals, for those head-strong gentlemen would be powerless to start trouble if they could not find politicians, business men and bankers to play their games for them.

IT IS THIS fundamental difficulty which constitutes the chief problem of the Nationalist Government and the problem will not be solved with the elimination of Chang Tso-ling from Peking. The elimination of Chang will solve one problem, the so-called Chang Tso-ling problem, but it will not solve the larger problem of a unified Chinese Government because there are still military elements in the so-called Nationalist party or movement which are, and will continue to be difficult of controlling. The problem is aggravated by the lack of modern means of transportation and communication. If China had a modern system of railroads it might be possible for a central government to distribute its military force in such a way as to reduce the possibility of insurrections to a minimum, but under present conditions it is possible for a rebellious general to start out and over-run a whole province before the central power can do anything to head him off. Lack of modern means of communication, and inefficiency of the telegraph system already in existence also make rebellions easy. Officials in distant places are out of touch with each other and often are the victims of propaganda started by those desirous of causing trouble for the purpose of preventing unification. The general result is the creation of a vicious circle. Lack of modern transportation and communication prevents political unity, and lack of political unity makes the development of modern means of communication and transportation a practical impossibility. How the Chinese are going to be able to work themselves out of this circle is difficult to say and only a fool would be brave enough to forecast. That foreign assistance is needed goes without saying, but this again leads us into another vicious circle, for the appointment of foreign advisers always creates jealousies on the part of the foreign governments not having men in the preferred positions. Dr. Sun Yat-sen recognized the need of foreign advisers in the creation of New China and took on the Russians after he had been snubbed and insulted by the other Powers. But this got him and his government into a hornet's-nest of trouble with the British. Now the Nationalists are trying to get along without foreign assistance and in many ways are making a mess of it. A great deal of the trouble which the Nationalists experienced in connection with the luxury tariff list was due to lack of experience and method of procedure in respect to dealings with the foreigners. The same thing applies in other directions, but we can see no hope for permanent improvement until the Chinese learn how to manage the job themselves and there is no royal road to knowledge except through the school of trial and failure. The encouraging phase of the situation rests in the fact that the leaders are trying most desperately to improve conditions and so long as there is a will to succeed, there is hope. The present period of uncertainty is most painful for all interests concerned and about the only satisfaction which the foreigners can get out of it is in the knowledge that the Chinese are also suffering and the hope that the suffering finally will produce a desire for improved conditions.

TOLERANCE AND JUSTICE NEEDED IN SINO-FOREIGN RELATIONS!

MR. MILES W. VAUGHN, Far Eastern representative of the *United Press*, has just returned to Tokyo from a tour of China and in an address before the Pan-Pacific Club of Tokyo declared that the time has arrived for foreigners to "cease criticising the Chinese people, their institutions and their misfortunes from the standpoint of a god on the top of the mountain, which is the attitude of mind assumed by the foreign critics of China." The best thing foreigners can do at this time, declared Mr. Vaughn, is to achieve an attitude of fairmindedness and realize that if we are to profit from China, we must first enable the Chinese to pay us a profit; that if we are going to sell goods in China and buy goods in China we must help the Chinese out of their present impoverished and somewhat hopeless condition. Continuing, he said, "We cannot be prosperous in our relations with China until China herself achieves a fair amount of prosperity, and I do not think the foreigners there appreciate this. Their attitude is that of taking the dollar now because the country is going to the dogs anyway." He then urged upon all foreigners living in China or interested in China to maintain a spirit of tolerance, saying, "I interpret the duty of a foreigner living in any country outside of his own as that of the guest in the household. One living in China should show a certain tolerance for what we may consider the politics of the Chinese people, and be honest enough not to pass criticism until acquainted with the facts. There is a lot of loose gossip in China. You can go into any treaty port and get plenty of misinformation about China from the foreigners, and the foreigners themselves believe the things they tell." Mr. Vaughn then told of some of the stories he heard while in Shanghai to the effect that Chiang Kai-shek had gotten away with twenty millions of dollars and that Borodin and Mrs. Sun Yat-sen were having an "affair of the heart" and so on, all of which he branded as highly ridiculous and absurd.

IF FOREIGNERS in China, and particularly in Shanghai, had sufficient intelligence to heed the advice which Mr. Vaughn and a number of other enlightened foreign observers have handed out recently, conditions here in the realm of Sino-foreign relations would quickly improve. A prominent Englishman, recently in Shanghai, also made some pointed remarks on this subject. He declared that ninety percent of the troubles which foreigners are experiencing in their relations with the Chinese at Shanghai are psychological and of their own making. Furthermore he expressed the conviction that if foreigners in Shanghai would make a serious attempt to get into personal contact with the Chinese ninety percent of the troubles here would vanish. Shanghai is suffering from a sort of diplomatic complex, thinking that in some peculiar manner the foreign Powers could solve all of the trouble, and holding to a fanatical belief that if the Governments would only do something trade would pick up and prosperity return. The truth of the situation is that the professional diplomats have failed. The best way to get the Chinese *not* to do anything now-a-days is to try to force them to do it through diplomatic action. Direct personal contact now will work wonders where diplomatic action is almost certain to fail. About the most useless person we know of now is the professional diplomat who thinks

he can solve Sino-foreign problems by writing notes. If foreign organizations in Shanghai which have been wasting their time, energy and money in trying to influence governmental opinion abroad, had devoted a quarter of their energy in trying to establish contacts with the Chinese and in making constructive suggestions, we would be much further along today than we are. We wish Mr. Vaughn would come back to Shanghai and deliver his speech on the need of tolerance from the steps of the Hongkong and Shanghai Bank, but if he did it probably would require the entire American Marine force to prevent him from being mobbed.

"UNDERMINING OUR CHINA POLICY"

THE OCTOBER number of *Asia*, the well-known American magazine devoted to Oriental affairs, contains the following announcement pertaining to an article by Mr. Thomas F. Millard, which is scheduled to appear in the November number. We insert the notice without charge:

"Sharp, even bitter, controversy divides Americans in China. One side demands an iron hand with the Chinese; the other urges hands off.

'Enforce the treaties,' says one. 'Throw them away,' says the other. 'Compel amends for Nanking,' says one. 'Settle it peacefully with the Chinese later,' says the other.

A policy of supreme world significance is involved. Diplomatic 'sanctions,' ultimatums, armed foreign intervention in China—and possibly war—go with the iron hand policy, say its opponents.

"At two recent crises in the relations of the powers with China, the Administration at Washington and its diplomatic representative at Peking held fundamentally divergent views on American policy.

"The Administration stood solidly against any aggression on China, blocking the influence of the Peking diplomatic body for an ultimatum.

"In the November *Asia*, Thomas F. Millard, probably the best-known American writer on Far Eastern affairs, will contribute a significant article in which he will deal with the dangers that threatened the effectiveness of the traditional American policy of friendship with China at these critical periods. The article is a candid statement of facts, in which Mr. Millard frankly holds the American Minister and sections of the American business community in China responsible for efforts to obstruct the American press in China in its reports of news favorable to the policy of the Washington Administration and opposed to aggressive foreign demands. It is one of the most significant articles to appear on the China situation."

Chinese Protest Use of British Troops To Protect B. A. T. Factories

Quo Tai-chi, Commissioner of Foreign Affairs at Shanghai, on October 13, sent a strong protest to the British Consul-General against the use of British troops in the protection of the factories of the British-American Tobacco Company in Pootung, Chinese territory. The British troops were sent to Pootung apparently to protect the factories against damage by striking laborers. The matter of the stationing of the British troops in Chinese territory was brought to the attention of the Nationalist Government by the Labor Unification Committee who stated that a strike had been in progress for about two weeks due to a dispute with the Company over the treatment of the laborers. In Mr. Quo's protest to the British authorities he stated that the trouble was purely a dispute between the laborers and the British-American Tobacco Company which could be settled in the usual way, but that the use of the British troops "was uncalled for interference, tending to complicate the matter and rendering settlement more difficult." Mr. Quo demanded the immediate evacuation of the troops from Chinese territory declaring that the presence of the troops "may cause grave misunderstanding among the workmen on strike which may not spell benefit to the parties concerned."

Limitations And Duties Of An Opposition

BY J. D. MONRO

CHINA is not yet ready for the two-party system. There are those who say that Europe has got past it. Economic prosperity has temporarily solved most of the problems of the United States and rendered her political development negligible.

In view of this combination of circumstances, it may be that orthodox constitutionalists in China will be wasting their time and effort in considering the possible developement of a government along the usual lines of the two-party system. It may be that outside influence and inborn commonsense will enable China to jump the stage of those illusions of sentimental democracy through which Europe and America have had to pass with so much travail. The very existence of the Kuomintang as an essentially dominating and non-democratic force in China goes to prove that there are good grounds for such a hope.

In passing, let it be understood that by the word 'democracy' we mean, the ridiculously untrue theory, on which politics, and more especially education, have been trying to base themselves since the time of Rousseau and Helvetius, that all men are born equal in ability and mental freedom. Clear thinkers in Europe, if not yet in America, are beginning to know, from bitter experience, that the truth of the democratic idea, intuitively apperceived, must be incarnated along the lines of scientific and psychological realism.

For all that, the two-party system will never cease to offer certain permanent if negative advantages. We look forward to the evolution of a new hierarchy of social values, and we see in China a field for their development unmatched elsewhere in the present world. But we know that, during the course of this future development, and, indeed, even after it has perfected maturity, our aristocracy of specialization will always be apt to degenerate after any long period of unchallenged domination.

Social Chaos in China

In China, however, this problem at the present stage only presents itself in secondary and incidental ways, and the essential thing is for the country to produce some substitute for that intellectual aristocracy which was extinguished in 1911. This is not to say that the present China is not led by the scholars and the students; but the admirable fact is just that there is this social chaos in China at present. Its existence, and the prevalence which it is certain still to enjoy for some time to come, may be traced back to the fact that China, unlike Japan, never possessed a true hereditary social aristocracy of blood, which could, under pressure, make and command a 'volte-face' in social ideas and practice without itself committing suicide. In 1900, the only two courses open to the intellectual aristocracy of China, and successively followed by them, were either revolt against the west followed by military defeat, or acceptance of the West followed by intellectual defeat; and inasmuch as the rulers of China had always been selected on intellectual grounds, it was inevitable that intellectual defeat should lead to social extinction. The tradition of intellectual domination remains, but the old depositary is dead and the new is scarcely yet out of its chrysalis.

The new depositary, however, is surely emerging, and what is so interesting is to note the similarities between it and the new types of government which are emerging in Europe. Not that in China the tendency is away from two-party government, since such a form, as the west knows, never existed in China, but that the total result seems to be approximating to that scientifically aristocratic expression of democracy towards which the West is blindly struggling.

The Kuomintang has frequently been compared with the Communist Party in Russia and the Fascisti in Italy. Even more illuminating is the comparison between it and the British Labor Party. And here we must dissent from those consciously or unconsciously sentimental Laborites who still make play with the unscientific ideologies of "democracy", basing their claims for the new party on visionary talk of the 'equality of all men'. If the British Labor Party has got as far as it has got, it is only because there are in its ranks, on the one hand, men born to lead, and in the ranks of the adversaries, on the other hand, men who, perhaps only through lack of the new social instinct, have proved their inability to lead under modern circumstances. So long as 'the masses' exist, there will always be need of government, and so long as there is need of government, there can be no such thing as political democracy in the old sense.

The leaders of Labor, of course, as of the Kuomintang, know this very well, even if they still make capital out of the catchwords of the past. Those Conservatives, too, in England,

who are not napping, know that this is what they are up against, the evolution of a new aristocracy, a new hierarchy of social values, which will leave no place for the members of a once ruling class, which, once instinct with the ideal of service, is now no longer even fit to serve. These wideawake Conservatives, indeed, are of a type which, with all their ability and social experience, could be of infinite service to the community, if only they could free themselves from the ties of their own particular class. Until they can do this, however, they must be denied a place in the new hierarchy. They may be allowed to constitute an opposition.

The existence of an opposition is, from the point of view of the idealist, something to be deplored; it can never be anything more than negative and destructive. Political toleration has in the past been of value in the building-up of society, but it ceases to be a virtue when it no longer conduces to the good of the whole; it lapses into the category of sentimental 'democratic' catchwords. To take a particular instance, in the words of one writer in comic vein:—"The House of Lords are going to keep hanging on to the legislative tree until they agree to be knocked off, are they? Good idea! When I get home to-night I'm going to give the green-fly on my rose bushes a dose of insecticide—provided they let me have their consent in writin', of course, I don't think".

J. H. Morgan, K. C., writing on "House of Lords Reform" in the "English Review" of August this year, while frankly admitting that "bloody methods..are quite unnecessary" to the Labor Party, and that they will never be guilty of anything more than "constitutional revolution," yet throws all his weight into trying to prove the demoniacal unconstitutionality of the ever-growing Labor Party organization. His chief complaint is as to the way in which the theorists of the Party, the "extremists", would keep a check on the Executive action of any Labor Government which came into power, forcing it to remain loyal to its previously expressed principles, and always protesting against compromise with the necessities of daily government. "Every week", he says, "during his brief tenure of office, Mr. MacDonald had to render an account of his stewardship, as Prime Minister, to the extremists. The result is that the leaders of the Labor Party in the House do not lead at all—it is the explanation of Mr. MacDonald's writhing and contradictory utterances on Russia, on China, on the General Strike, and on everything else. It is also the explanation of their violent language outside the House and their comparatively moderate language within it. They do not lead because they cannot. They are whirled round in the driving-bands of their own machine—flies on a vast wheel".

A Real Problem Raised

Now, Mr. J.H. Morgan, in making this attack, has raised a very real problem,—but quite a different one from that over which he himself wastes language. In setting himself against what he calls this "vast mechanicalization of the industrial electorate", this "discipline of the individual", he is setting himself against a tendency which must inevitably go on and gather force in the world as at present organized and educated,—a tendency which can only be countered along educational lines. The real problem which he raises is one on which he, as a lawyer and a K.C., could, if unprejudiced, bring much light to bear, namely, the almost impossible task which faces a Government just promoted from Opposition, of solving deep-seated and long-standing difficulties in accordance with new theories. This is what the Kuomintang in China is having to do at present, and what the next Labor Government in England will have to do. Both of them, when in power, must inevitably face the fact that there is every likelihood of their being forced into compromises of principle with hard realities. The essential thing is, that they should realize this truth in every case before, instead of after they have seized the reins of power. If they have sufficient foresight to do this, then they will be able to regulate their proposed programmes in such a way that Success, idol of the masses however small it be, will be immediately attainable, and will then go on like a snowball, continually gathering weight and momentum.

This subject, then, on which we should concentrate our study now, "The Strategy of Opposition", must always be treated as an unwelcome and compromising one, as one which it would be better to be without, and which may yet, by some impossible stroke of magic, be transmuted into the profitable one of "The Strategy of Government". In order to accomplish this latter feat, the first thing to remember is, that the mere fact of being in opposition, a purely negative accomplishment, is nt sufficient justification for the existence of any party; then, that the projected programme of an Opposition party must be strictly limited either to the definite alteration of the Constitution or to treatment of the field within the scope of the unaltered constitution; finally, that protests are not necessarily effective, or even sincere, because they are violent, and that self-criticism, the more rigorous the better, is the surest way of disarming the attacks of the future defeated adversary.

Shanghai, October 17, 1927

Is Japan Preparing For War In Manchuria?

BY JOHN STEELE

(*London Correspondent, The Chicago Tribune*)

JAPAN is preparing to back up its penetration in Manchuria and China with machine guns, gas, and all other implements of modern warfare, if necessary. Ship sheavily laden with munitions already are steaming eastward. Their destination is Dairen—formerly Dalny—and Port Arthur, the great Japanese controlled railroad port. It is reported the ships also are bound for Tsingtao, the powerful fortress on Shantung peninsula, wrested from the Germans early in the war. Some of these ships already have passed through the Suez canal, flying munitions flags, which gives them the right of way.

This preparation began immediately after the dissolution of the Geneva naval conference, when Japan suddenly came to the aid of England in refusing to grant America's demands for limitation of cruisers. The echoes of the Geneva conference had not died away before the Japanese-owned and controlled South Manchurian railway approached Rothschild's London house and other British banks for a loan of G. $80,000,000 for the extension of this line.

Big Munition Fleet

Then followed heavy exports of arms and ammunition on transport vehicles to Japanese strongholds on the continent of Asia. Almost immediately after the loan, application for which was made secretly, shipping brokers in London asked for boats to carry the munitions to the Far East.

At first it was believed these munitions might be for the conflicting forces in China, but this was speedily disproved. The southern Chinese funds are nearing exhaustion. They are unable to pay for guns and ammunition, nor can they afford to transport from European ports. The London brokers could not offer cargoes for the Chinese nationalists with the possibility of their use against British troops. Since Marshal Chang Tso-lin, the Manchurian war lord, is unable to continue payments either for munitions or manufactures, the ship owners did not consider the northerners good customers.

In Scandinavian Ships

The brokers seeking the ships explained that the freight charges were guaranteed and the cargoes already were bought. It was only a question of loading them. These ships are being loaded in Baltic ports. Several have gone for Dantzig under the very nose of Russia, the only power with ambitions similar to the Japanese in the Far East. They are not British ships, but fly flags of Scandinavian and other countries, all strictly neutral in any possible conflict in northern China or Manchuria.

British shippers refused the cargoes, but the continental lines accepted them in the line of every day business.

Russia is watching the Japanese plan with growing nervousness. Europeans who in the last two weeks have returned over the trans-Siberian railway report seeing large bodies of Red troops near the railway stations from the Chinese frontier many hundred miles into Siberia. These troops appear heavily armed and equipped for the field.

By Roundabout Route

The British attitude, undoubtedly shaped at Geneva, if not actually complaisant is one of benevolent neutrality. The Japanese came straight to London, first with money and then for shipping facilities. Munitions may not be exported from England without special export license, and such exportation on a large scale to Japanese ports would involve explanations, but there is nothing to prevent the concentration of munitions at northern continental ports and trans-shipment to Manchuria and other districts where the Japanese are in control.

The Australian government seems to regard the munitions movement with even greater satisfaction, since it removes the eye of Japan from their own land towards an even richer country. The attitude of China is of no consequence.

The new railway spur of the South Manchurian railway from Taonanfu, Mongolia, to Tsitsihar, in the rich province of Heilungkiang, which the Japanese are busily preparing to build is only 300 miles long, but the commercial advantages of the line are tremendous. It will penetrate into an amazingly rich, almost undeveloped province, of which the chief outlet at present is Vladivostok. It will give uninterrupted transport facilities to Dairen, carrying off products from any future Japanese colony and bringing imports from the Japanese mills.

Of Strategic Value

The tactical advantage is of perhaps even greater immediate importance to a power seeking to penetrate and to face a potential enemy with similar ambitions. The new line will cross the Bolshevik Eastern railroad, which runs down from Chita, in the Transbaikalian province of Siberia, to Vladivostok,

Should Japan and Russia come to grips after the completion of the new line, the former from its strongly defended line could isolate Russia's greatest eastern port from Moscow.

Although the Geneva conference and Russia's attack on England through the Chinese nationalists gave Japan an immediate opportunity, preparations for the Manchurian advance have been under way for months. In the last six months hundreds of thousands of tons of steel rails of British and continental manufacture have been shipped from Antwerp, Rotterdam and Bremen to the Japanese. In a season that is normally dull, the British ships have been carrying on every voyage great loads of steel and aggregates far greater than necessary to repair the damage from earthquakes and floods in Japan.

Many Gas Chemicals

In addition to the munitions from Baltic ports, continental Europe is shipping great quantities of chemicals to Dairen, ostensibly for fertilizer, but capable of conversion into gas for use by the army.

The shipment of munitions raised the possibility of diplomatic complications. These were got round by giving the entire sphere of Japanese influence in southern Manchuria to the railway company. The railway company, pursuing a peaceful vocation, cutting grades and laying rails, has little use for shiploads of guns and ammunition, although it can use army transport in the early stages of the work.

The purpose in sending some of these cargoes to Tsingtao, the former Japanese fortress in Shantung, is obscure. This is far removed from the scene of operation in Manchuria, but it could be more valuable to the Japanese as a naval base, as it was to the Germans.

Clash with United States

America's open door policy is certain to enter the eventual discussions of Japan's advance into Manchuria and China. Under the treaty of Portsmouth of 1905, both Japan and Russia agreed to evacuate Manchuria and to restore full and unhampered administration to China, except on Liao-Tung peninsula, which is leased to Japan. Russia ceded to Japan 514 miles of the southern Manchuria railway from Dalny to Changchun. In about 1909 Japan and Russia agreed not to interfere with one another and to work together in southern Manchuria. A protest from the United States immediately followed, the Washington government contending that the railroads should be neutralized.

This brought Japan and Russia even closer together, and in 1910 they concluded an agreement which America further considered a breach of the open door policy, as it infringed on China's rights both in Mongolia and Manchuria.

Dairen, which formerly was Dalny, has been developed enormously by the Japanese, and the capital has become in a generation the second greatest port in China, ranking only after Shaughai. Before the Russo-Japanese war it ranked forty-second.

Eugene Chen Claims He's Still Foreign Minister

Upton Close, or to use his real name, Josef Hall, the American writer and lecturer on China, has just arrived in Berlin from a trip through Japan, North China and Russia. In an interview with an American newspaper correspondent in Berlin, Mr. Close said that he had a talk with Eugene Chen, the former Wu-han Foreign Minister, in Moscow, and that Chen had declared that he was still Minister of Foreign Affairs of the Nationalist Government. To use Chen's words, "The left wing of the Kuomintang, which I represent, is all that is left of the Kuomintang, and I am still Minister of Foreign Affairs." In the course of the interview Chen declared that he was basing his hopes upon two generals in China, one a communist and the other a radical and declared his conviction that these two generals would shortly be able to establish a government in China that would enable Mr. Chen to return to his post.

In reference to future Russian policy toward China, Mr. Close said that "Russia's influence and activities in China are about to enter a new and more direct phase. The recent breach in the Communist Party was to a considerable extent over policy in China, the Stalin or majority group holding that nationalism must come before social revolution. The Trotsky-Radek oppsition seems to have won the argument as expressed by the latter, that 'nationalism alone will not make a revolution in China,' and the party has reunited on the strategy of a revolt by the peasants, officered and engineered by the political leaders of the left Kuomintang group and, they hope, generaled by some of the military leaders friendly to the ideas of the left group."

Mr. Close stated, however, that the Russians in Moscow are dealing rather cautiously with the Chinese delegation now in Russia, that Mr. Karakhan of the Foreign Office, made it clear that he was only meeting them in a "personal" capacity.

They Also Had Business and Political Worries 75 Years Ago!

A reader of *The Review*, Edwin H. Frost of Yonkers, N. Y., has mailed to us a clipping from the *New York Herald* printed in October 1853 which indicates that present day foreign residents of China have nothing "on" their predecessors of threequarters of a century ago from the standpoint of business and political worries incidental to the "China situation."

The clipping consists of a full column of small type, all culled from the newspapers from China which had just arrived in New York on the s. s. Arctic. The column was headed "Advices from China," and among the news items was an account of Commodore Perry's return to Hongkong from his famous expedition to Japan. The editr of the Hongkong paper, the *Overland Mail*, apparently didn't think any more of Commodore Perry's exploit of that day than do some of the modern British editors in the Far East of present-day American policy, for he said, "Thus have terminated for the present the negotiations from which all the world was anxiously expecting some grand and definite result." There was also an account of an American named William Buckler, who was arrested by the Hongkong authorities and charged with trying to evade payment of a debt to a Britisher. In the interview Mr. Buckler denied that he had attempted to evade payment of the debt and paid his respects to the Hongkong authorities by calling them all "bums". Buckler insisted on his rights and invoked the treaties to prove that the Hongkong authorities had no right to arrest him and demanded that he be turned over to the American Consul.

Since this was the time of the Taiping Rebellion there were several references to that Nationalist Movement of a previous century and fear was expressed that the fighting in the vicinity of "Nankin, Ngan-kwei, Kiang-si, and Shanghai," might interfere with the tea crop. The report on the Taipings stated that "it was rumored that Pekin had been taken by the rebels, but since the rumors had originated with the Roman Catholic Priests, it was little credited."

Some extracts from the items follow:

"Our files of China journals brought out by the *Arctic*, were delivered yesterday morning. The most important points of the intelligence which they contain had been already published in the *Herald*. We extract, however, some details, which will be found interesting, both in a political, religious and commercial point of view.

"The *Overland China Mail*, published at Hong-Kong upon the 23d of August, thus alludes to the return of the squadron of Commodore Perry from Jeddo, and the successful issue of the Japan expedition:—The intelligence brought by the Saratoga from Jaddo is of significant import but may be comprised in small compass. The Commodore had an interview with a high officer appointed by the Emperor, and after sending in his credentials was courteously received. He landed with a numerous suite, and having gone through the formalities, returned on board his ship.

"We understand the letter addressed by the United States government to the Emperor set forth the requisitions made by the American government, and the Commodore signified his intention of returning to Jeddo at the expiation of six months, to receive the imperial reply. Thus have terminated for the present the negotiations from which all the world was anxiously expecting some grand and definite result. Why the period for a reply should have been delayed for so long a period we have yet to learn.

"The Commodore's fleet is said to have returned to Hong Kong, but the Powhatan and another vessel of war, not knowing that the Commodore was on his return, had sailed for Japan.

"In the *North China Herald*, of August 6th we find some very useful statistical matter regarding the production and export of tea:—We have made up the exports of tea and raw silk from Shanghai to all parts, as nearly as we can, from invoice weights to Great Britain, and from consular returns to the United States and coastwise. To Australia the estimate is by tonnage. The whole, including the continent and Halifax, amounts to 69,431,000 lbs. of tea, and 27,962 bales of silk—this is an increase over our estimate at this time last year, of upwards of 11,750,000 lbs.; the increase of export in tea to Great Britain exceeds 7,439,000 lbs., and to the United States is more than to 4,900,000 lbs.

"We have before noticed a report published in the China and English papers, to the effect that several English subjects, and missionaries of that and other countries, had endeavored to reach the rebel camp, and were foiled by the vigilance of the imperial troops."

Why Japan and England Can Not Renew the Alliance

BY C. T. LIANG

EVER since the collapse of the Triangular Naval Conference at Geneva, rumors have been afloat of a resurrection of the dead Anglo-Japanese Alliance. For a time, dark clouds filled the international skies. For a time, it looked as if the prayers of Putnam Weale, the most hard-boiled of the British die-hards and propagandist for British Imperialism and Chinese militarism, were amply answered for. Strange enough, shortly after the rumors gained ground, both the British and the Japanese governments put out their denial signs in rapid succession. But rumors travel faster than official denials. Furthermore, if past history may serve as a guide at all, in nine cases out of ten, official denials usually turn out to be mere lies. To believeor not to believe; that is the paramount question of the moment. For those of us who are students of current history, it may not be out of place to hunt out the truth by a little analys is in the absence of any "inside" official information.

I.—The Question of Common Enemy

The first question that awaits solution in the analysis of this big problem is the existence (or non-existence) of any common menace or rather any common enemy which threatens the safety of all parties to the alliance. For past history tells us that as often as there were alliances, their making and their unmaking depend chiefly upon this point. If pure generalization be not enough, let us turn to the making of the League of the North. If does not need much thinking to find that England prompted its completion. Coming down to our own times, let us rest our eyes upon the various make-ups of which the German Reich constituted the chief motive power. It can be readily seen that when Bismarck, easily the greatest statesman of the nineteenth century, brought forth his various schemes namely, DreiKaisers Bund, Triple Alliance, Reinsurance Treaties, obviously, France was causing him some anxiety. Take the Anglo-Japanese Alliance itself. A little perusal of its past story will show that it forms no exception to the general rule. When the said alliance was made in 1902 and subsequently renewed in 1905, it was the Russian menace that both countries dreaded. With the defeat of Russia in 1905, with the conclusion of the Anglo-Russian Agreement in 1907 and with the emergence of a bigger than Russia in the person of the Reich, the object of the alliance shifted. Now it was not Russia that both parties dreaded but Germany. So after its revision in 1911, Japan was entrusted with defence duties in the Far Eastern waters, France in the Mediterranean waters, and England concentrated her Grand Fleet in the North Sea. It died a natural death in 1922 when the cause bringing it into existence disappeared. Regarding the newly reported Anglo-Japanese Alliance, the same reasoning can safely be applied. Now, let us study the potential enemies one by one.

To begin with Germany, we find that the Reich of Weltpolitik fame had died with the European war. As a result of that war, Germany was shorn of all her colonial empire overseas, a cause which might bring England and Japan into a close union. Practically, she has no fleet, another cause which might put the two naval powers in line. Militarily, Germany has been under allied supervision from high flying airplanes down to underground secret societies. Today, Germany has little to boast off, much less an offensive army. Strenuously trying to regain her commercial markets, hoarsely groaning under heavy burdens of reparations, and still suffering from the effects of a lost war, her economic status is far below the plane where economic rivalry with other nations can take place. Torn into two water-tight compartments, surrounded by enemies on all sides, one may rightly wonder how long would it take her to make both ends meet within her borders. Thus circumstanced, Germany can hardly afford to think in terms of aggression, still less of war. Assuming her star to be still with her, it is perfectly within the range of realities that a generation may well pass before she will be able to overcome all of her present disabilities and stand on her own feet. At any rate, she is out of the running so far as menacing England and Japan is concerned.

Russia is another of the pre-war powers which has great potentialities as a world menace. To be exact, she possesses qualities, to menace Great Britain and Japan, which surpass those of almost any of the other post-war powers. In regard to geography, her realness touches China and Japan in the East, India Persia, Turkey and Rumania in the Near East, and the Baltic States in the West regions where Great Britain and Japan have vital interests. In regard to ambition, few will forget the old Russian aspirations to reach the North Sea from the Baltic, Constantinople on the Dardenelles, the Persian Gulf at the head of the Indian Ocean, in the final determination of which issues England is vitally concerned, and the Pacific through the Yellow Sea, in the final determination of which issues both England and Japan are vitally concerned. In regard to past record, Russia's name had been rather closely linked with various imperialistic ventures, forgetting for the moment. Peter's will which remained a controversial topic ever since Her people are energetic and quite capable of sudden actions. Her natural resources are the best endowed in the world. But a study of her disabilities shows, however, that she too is out of the running for the present. Economically, for instance, her position had not been much better than China's, a position which was rendered worse by the total disorganization following the war and so far has not yet returned to its pre-war conditions. Militarily, her army cannot do much better than preserving domestic tranquillity at its best. Navally, she cannot even boast of a fleet, one of the most important factors in the matter of menacing Great Britain and Japan. In brief, neither materially nor militarily (in a broad sense) is Russia fitted to menace anyone, whether England or Japan. As far as one can see, her only effective weapon today is propaganda. But propanganda has its limitations and can never serve the ends of the "last resort." Adding to these her present state of isolation, one may safely predict that her day will come in the future, but not now.

Among the young enterprising nations, Italy has undoubtedly the greatest possibilities, either as a world blessing or as a world menace. This is particularly true since Benito Mussolini mounted the Italian ship. It is a well-known fact that Mussolini had long cherished happy dreams of restoring the old glory that once belonged to Rome. To bring those dreams to pass, particularly making the Mediterranean an Italian lake, Mussolini accomplished stupendous tasks. Saving Italy from the anarchic state that she was in 1923, and improving her international status in political, economic and military spheres, he finally succeeded in establishing in the Eternal City a stable government, a government of the state, by the state and for the state. Today, Italy is one of the most flourishing states on the European continent and is in the best position to begin some work along imperialistic lines. By some secret agreement with Spain, her position in the Mediterranean will in due time become an envious one. Should another war break out in Europe, this Italian-Spanish combine could inflict on Great Britain not a little embarrassment, at Gibraltar, Malta, Cypress and Suez. In other words, Italy could become Great Britain's worst foe, if circumstances permitted. But on the other hand, Italy has no status of any nature whatever in the Far East. Furthermore the very distance which separates her from Japan would debar her from ever becoming Japan's enemy. In short, Italy can only threaten one of the parties to the reported Anglo-Japanese Alliance, i. e. Great Britain. Under such conditions, no alliance can succeed as reported. Should it ever become a fact, it would not and could not serve any useful purpose to any party.

The Imperialism of France

France was one of the most imperialistic nations before the war. As a result of the different ventures in those days, her colonial empire extended from Western Africa to Indo-China. Besides, her attempts to maintain a European hegemony and to keep up an open route to North Africa through the Mediterranean could gain for her some enmity from Great Britain. Bearing in mind then Japan's ambition in Indo-China, the chances are that France may some day become a common target for Great Britain and Japan, which could easily ripen into an alliance. But a glance at the debit side brings, however, an entirely different conclusion. Look at the situation in Europe first. To her north, France needs to make ready for another German comeback and this in spite of the "Locarno Spirit." To her east, she needs to maintain her position in the Little Entente, especially against Italian manipulations. To her south-east, she needs to fear a war of liberation from Il Duce, in testimony which one may notice the troop movements and fortifications along the Savoy and Nice frontiers. Outside of Europe her position is not much better. Ever since the war, it has become a cardinal point in the French external policy to develop North Africa as her main depot from which she could draw her man and material resources in case of another war. But to do this, two things are required. First, North Africa must be made safe for peaceful developments. Secondly, her route of communication with Africa should remain open under any circumstances. Grave doubts, however, hang over the heads of all these.

On one hand, her hands had been always full with African revolts, of which the Riffian War may serve as recent reminder. On the other, her route to Africa is constantly threatened with interruption from Great Britain, Italy and Spain, according as which side they would take in the next conflagation. For these reasons, it came to pass that, immediately after the war, France made up her mind to leave Indo-China to its own fate when she should become occupied in Europe and Africa for, to France, Indo-China is at best only a "Secondary Reserve," and cannot be better. From these considerations, one may safely conclude that from the French side little

impetus can be gathered to promote the reported Anglo-Japanese alliance, as the chance of a Franco-Japanese conflict is too slim to be counted. This state of affairs would remain true for the present at least and probably for some-time to come.

Of all nations today the best situated to seal the success of the reported Anglo-Japanese Alliance is the United States. Unquestionably a great deal of stock can be advanced in favor of this suggestion. It can be said, for instance, that many difficult cases are still pending between these nations. To substantiate this statement, one may bring up the question of the interallied debts, which has constituted a thorn in the side of European-American harmony ever since the war, the question of naval equality between Great Britain and United States, the question of immigration between Japan and United States, and a number of others. Then one may bring up the question of economic and naval rivalries between these nations. In support of the first rivalry, one may point out simultaneous commercial expansions in the Far East and South America by all three nations. In support of the second rivalry, one may point out the facts that the building programs of these nations are based each upon the other, that in their naval tactics each regards the other as its "alleged" enemy, and in this regard inevitably calls attention to the recent manoeuvres by the American fleet in the Atlantic and in the Pacific and the concentration of the major American-naval force in the Pacific. Further, one may point out their disagreement and conflicts of interests in various places, notably in China, and many other zigzags. But the straw of a careful close-up shows the wind to be blowing in the opposite direction. Take the case of Japan, for example which has the most urgent incentive to see an early and successful completion of the reported alliance, because of the American slight on her national dignity through the immigration act of 1924 and because of the new American naval strategy openly regarding Japan as the possible enemy. Even in her case, it will be seen, that strong reasons will play a hand to slow down her motions. For one thing, her cares on the Asiatic continent do not warrant her to speed up her arguments with America when matters with that country are still manageable. To say that Russia is not in any way friendly towards Japan is to put the case too mildly. In fact, influential Japanese, especially Sugimura regarded another Russo-Japanese war as a certainty. At any rate, not until she has finished her strategic railways along the Korean fronts and in the direction of the Trans-Siberian Railway and procured the whole-hearted support of China would she feel any too secure to concentrate her efforts on the Eastern Pacific.

Chinese Have Long Memories

But China's attitude toward her is none too good either at the present moment. The Chinese are famed for their long memories and they have not forgotten the Twenty-one Demands. This is particularly true in face of the present rising tide of the Nationalist movement, a prominent slogan of which is to down Imperialism, Japan included. Unwittingly, however, Japan made the situation worse by the despatch of troops to Shantung, by the alleged participation of Japanese troops in actions against the south (in one report, it was stated that General Pei Chung-hsi entertained the consuls at Shanghai by parading the Japanese captives before them.), and by the strong decision of Japan to secure what she wants in Manchuria and Mongolia when China is in the throes of a war to put her house in order. In the north, Japan does not fare any better. The recent break-out of Anti-Japanese movements in the Three Eastern Provinces, virtually in Japan's grip, sufficingly indicates in which direction the wind blows in China. Should matters be unfortunately brought to a head as it is, it would not be unreasonable to suppose that in case of a Japan-American conflict Japan would not only be able to move her badly needed foodstuffs and raw materials from Manchuria as smoothly and as cheaply as Yamamoto, new head of the South Manchuria Railway Company, imagined, but most probably could expect some of the bitterest thrusts in her back from China's suffering and uninitiated millions. Not only that, nature has ordained it that Japan's future lies in industrialization, which means that she is made dependent upon other nations, particularly America and China, for the supply of her foodstuffs and raw materials and markets. As all know, today America constitutes one of Japan's most important customers either in exports or in imports. This means, of course, that Japan cannot afford to be too rash in sacrificing her national livelihood for an empty alliance. Further, past experiences show that Japan can demonstrate real statesmanship and farsighted forbearance to a very high degree on national questions of importance. On the present occasion, it can be taken for granted that Japan will display the same kind of forbearance toward America no matter how slighted she feels against her, and the time she strikes, she will be sure of a "knock-out," for otherwise she will not care to strike at all. And as any moves at present on the part of Japan to ally with England will surely hasten this impending crisis, conditions in Japan will not allow of any actions being taken just now.

In regard to England, the same conclusion may be drawn, differing only in the vitalizing motives. Although Japan may possibly gain some political and military advantages, particularly as against America, by a present conclusion of the rumored alliance, the case is entirely different with Great Britain, for very obvious reasons. Look at the question generally, it can be readily seen that Great Britain possesses interests, both territorial and commercial, all over the world. All these interests need her tender care and protection every minute and there is no good reasons why she should concentrate her attention at present on the Pacific at the expense of the rest when nothing serious crops up in that part of the globe. Looking at the question from the military sides granting the materialization of the alliance, England would gain nothing by such an alliance, for as soon as a war breaks out between the "Allies" and America, the chances are that America will seize Canada and the English possessions in the Carribean Sea as quickly as she possibly can, while wily Japan will be enabled to capture the Philippines from the American occupational forces comfortably. In other words, militarily, England will have nothing to gain and everything to lose by this alliance, right at the beginning of a conflict and with an uncertain future ahead. Looking at the question from the political side, Japan would surely derive much strength from this alliance internationally. But as sure as that will the alliance run counter to the British post-war policy of making friends with America? There is no reason why she should not make friends with America, which besides her blood relationship with the "mother country" is closely related to the latter by cultural bonds, by the very distance which separates them, and corollarily, by their separate spheres of influence. When one weighs these two propositions carefully, one can hardly fail to convince himself as to which is the saner road for England to adopt. Looking at the question from the legal side, it will be recalled that the ban on military alliances in the Pacific is the sole virtue that called the Four Power Pact (see below) into existence. And nothing could be further from the spirit of the said Pact, had England fallen a victim to such an alliance. As the situation now stands, England can see no imperative need to conclude such an alliance, at any rate not before 1931.

Now let us study the world situation as a whole. Should the rumored Anglo-Japanese Alliance bear fruit, it can be regarded as a certainty that the United States will have something to counter-balance it, and, in this connection, it may not be out of place to imagine that the suggested alliance of the United States, Russia, Germany and China, made by Thomas F. Millard many years ago may assume some tangible form with the possibility of France and the Little Entente becoming partners later on. Emphatically neither England nor Japan wants to see this on the horizon. Next, let us center our attention on England alone. Should the said alliaince become a fact, one of the easiest consequences would be the starting of a race in naval armament between England and America. This however, is the very thing England cannot afford at the present moment, much impoverished as she was by her "supreme sacrifice". Then too she will have the Dominions (see below) to reckon with, the attitudes of which are anything but favorable to the rumored alliance, so far as one can gather. For these reasons, therefore, the United States, the best situated and probably the only one sufficiently qualified to become the common enemy of Great Britain and Japan, is altogether out of the picture.

Thus, after a careful study of the world powers, we fail to pick out a common enemy which can effectively threaten Great Britain and Japan to such an extent as to call for the aid of an alliance. Germany and Russia were reduced to momentary impotency on account of the war and have not yet recovered. Italy and France are better off than Germany and Russia in actual strength, but they too suffer disqualification due to peculiar reasons of their own. The United States fulfils all the qualifications as the common enemy of Great Britain and Japan. But neither of these parties welcomes war at this juncture, and, none, with the possible exception of the United States, could have another war very soon. Thus while we do not preclude all the future possibilities of the rumored alliance, the need for which may indeed arise many years hence, we feel, however, on solid ground to say that the rumored alliance has little chance at present. Today, no one wants war. That ought to be sufficient.

II.—The Attitude of the English Colonies

Ever since the war, the British dominions have assumed an attitude of independence almost amounting to the tuchunate in China. With the memory of the Europen war still fresh in their minds, they had since made it quite plain to Downing street that the "mother country" can no longer expect the support of the dominions in the performance of her future international obligations, if their opinions thereon were not consulted beforehand. Today, scarcely any question can compare in importance with the rumored Anglo-Japanese Al-

liance, the serious effect of which upon the Dominions, particularly Canada, New Zealand, Australia and India (not yet dominion), can never be overemphasized. Imagining a war between England and Japan on the one side and United States on the other, it will cause little surprise to find that the heavy burden of economic, material, and human losses would fall doubtlessly on the shoulders of the aforementioned members of the empire. Consequently it becomes of immediate importance to ascertain their attitude before England can proceed on the proposition. As one might expect, these members were on record as against the rumoured alliance, and for good reasons. First, the dominions would oppose it on racial grounds. It is a matter of record that Canada restricts, and Australia and New Zealand prohibit, Japanese immigration into their respective lands. When Japan brought up the question of "Racial Equality" at the Versailles Conference, she had certainly these territories in mind.

Who can guarantee then that Japan would not raise this point in the negotiation of another alliance with England either out of respect for her national dignity or as a prize for her help in other directions? But this is a question neither of the three will tolerate and this rock may well wreck the whole business. Secondly, Japan is the imperialistic country in the Far East. How Australia and New Zealand passed their days of anxiety during the war only they themselves can tell. That England was forced to leave her Far Eastern interests to Japan's trust and that none of these lands would like to repeat their old experiences there is no doubt. Had this not been so, the Beatty commission would never have been sent to the Far East. The acceptance of the Beatty proposal to station a force equal to that of Japan in the Far Eastern waters in case of emergency, the decision of the British government to build the Singapore naval base, the resolution of the Imperial Conference calling upon the colonies to contribute to the support of the Royal Navy, bear this fact out beyond all scruples. Amidst such clouds of suspicion, it would be extremely difficult, if not imposible, to build up the structure of an alliance when its foundation is sand.

Indeed, if the everyday Britisher were given a share in the choosing of a partner to such an alliance, I have no doubt that he would elect the United States, whose good relations with Canada stand high as a monument, instead of Japan. Thirdly, if the rumored alliance should materialize at all, it would be directed against the United States. But there are reasons why the British colonies cannot subscribe to an alliance with the United States as the direct object. The Americans and colonists are closely related by blood and culture. They are all opposed to Japanese immigration. They all fear Japan and do not like Japan, an Asiatic power, to dominate the region where their borders end. It was for that reason that, immediately after Japan had outlived her usefulness by the defeat of Germany, the colonies raised their first cries against the alliance. They went on record as saying that if the alliance be not terminated they would be on the side of the United States in case of a war between her and the allies. The hearty welcomes extended to the American fleet in 1925 by Australia and New Zealand, and the sudden decision of Canada to take part in the Pan-American Congress in 1926 all sing in the same harmony. How England can overcome such obstacles remains a mystery. But even harder obstacles come in the question of defence. Take the American side first. Supposing the rumored alliance to materialize and a war to break out between the allies and the United States, it is certain that the United States would capture Canada and the British possessions in the Carribean region immediately the war broke out, and, judging by the geographical positions, it would be exceedingly difficult for Great Britain to recapture them, her powerful navy notwithstanding. That England does not like this is a foregone conclusion. Now take the Far Eastern side. Military experts had long expressed their opinion that Japan can take the Philippines within about two weeks, *i. e.* before any American marine force could come to the rescue. With the Caroline and Marshall Islands already in Japan's hands, and with the new addition just mentioned, would it not strike anyone that Australia and New Zealand are inviting their most feared enemy to their very doors by an act of their own? Naturally, all colonies fight against that eventuality. Thus there goes another support for the alliance.

III.—The Four-Power Pact

No less important than the former, stands the Four-Power Pact. Besides terminating the Anglo-Japanese Alliance of 1911, the United States, the living spirit of the whole conference, took pains in providing against all future mishaps that come within the limits ot human control. So when the Four-Power Pact or Agreement received its final form, it was definitely provided that no future alliances (for ten years) in the Pacific would be allowed and that in case of any misunderstanding which might lead to trouble in the Pacific, the four contracting powers, *i. e.*, Great Britain, United States, Japan and France, should communicate with each other and arrange for a conference to clear up any question which might come up in the course of time. In other words, the Four Power Pact, during the time of its existence, puts a ban on all international groupings, whether they be the rumored Anglo-Japanese alliance or something else, in the specified area, and, instead, inaugurates an international "clearing house" so to speak where all international differences can be checked up and readjusted. Thus no alliance can take place in the Pacific without violating both the letter and the spirit of the said agreement. At this time when the good-will of the United States would mean more to England and Japan, and when England and Japan cannot afford to go to war with the United States, I do not hesitate for a moment to express the view that the Four-Power Pact will be strictly adhered to.

IV.—The Chinese Problem

Then it may be suggested that the rumored alliance may succeed on the desire of two of the most interested nations to achieve a uniform front vis-a-vis China. The failure of the powers to take any effective actions against China after the Nanking Incident seems to lend color to this view. Hereto, however, a careful study of the actual situation will bring a different story. While England and Japan, like all other nations with interests in China, had watched uneasily over the events and the happenings in China since about a year ago, they nevertheless did not intend to hide their proud feelings that they are strong enough to face the China problem single-handed. If anyone feels skeptical regarding this statement, let him just look at the despatch of troops to Shanghai by the British government shortly after the January Third Incident, under the cover of protecting its nationals in China. Actually, these troops were meant to prevent Shanghai from falling into the Nationalist hands, and this they accomplished without a single incident. Even more gloriously did the Japanese carry out their similar mission in Shantung. For, although England and Japan would prefer united action among the powers, which may prove more economical, to all others, yet, at the bottom of their hearts, they would not venture to take a fancy to the device of an alliance, which, in all probability, would attract too much attention, to say, the least. And certainly they know better ways than that. But other considerations also will prevent their concludiug this alliance. The British and Japanese interests in China are in many ways conflicting ones. Speaking roughly, the China of today can be divided into two spheres of influence: that to the south of the Yangtze belongs to England and that to the north of the Yangtze belongs to Japan. That each nation tries to expand its own sphere at the expense of the other is an open secret. At its best, the conclusion of an alliance between them would not carry them further than what they can get by the revival or renewal of their former agreements concerning the sphere of influence in China. Under such circumstances it is highly probable that they will choose the latter course and leave the former to some opportune moment which for the present would prove to be too conspicuous, to take the best of its shortcomings. Not only that, the conclusion of an Anglo-Japanese Alliance at present will surely arouse the suspicion of the United States. Today, long after the disappearance of the Russian and the German menaces, whom else could it mean but the United States? Probably most of us can still recall how in 1922 the United States delegates drove this point forcibly home to the delegations of the other nations gathered at the Washington Conference. Unless England and Japan crave another war which they cannot afford at present, the rumored alliance has no chance whatsoever of facing the world just now.

Therefore one can draw the following conclusions! One is that Japan would like to make an alliance with England which could be of much help to her, if possible, in anticipation of a hostile America which may become a future reality. Another is that England would consider an alliance with Japan if her future needs demand it, but that she is not free to do so at the present moment. A third is that England and Japan may use the alliance as a weapon to prevent the inauguration of a big building program by the United States, as suggested by a news report from Tokyo dated August 26. To sum up, all eyes seem to point to the future. In the meantime, we will not err by sticking to our guns that the rumoured alliance is not a present possibility.

Wuchang, October 11, 1927.

New Ford Model Is Delayed

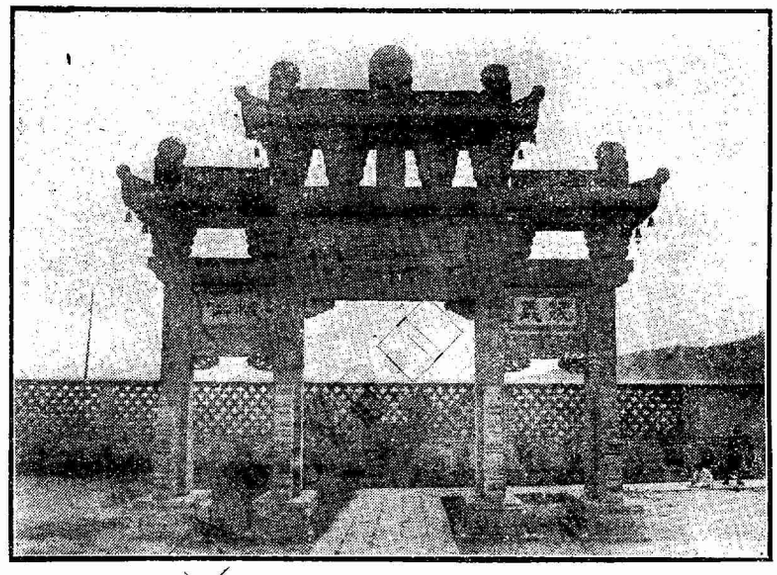
The latest advices from Detroit show that the Ford company is experiencing considerable delay in getting its new model car ready for the market. Previously it was announced that the new Ford would be ready during October, but last minute changes in design have delayed production. One of the interesting features of the new models will be that the steel from scrapped American ships will be largely used in their construction.

Sino-American Friendship in Shantung

The reader of current affairs in China learns so much of dreadful things going on in the country that it may be refreshing to hear of a section where conditions are better Shantung, east of Weihsien, has thus far escaped the ravages of war and banditry is no worse than it usually is in the season when the tall grain covers the land.

There has been thus far no rainy season, but a few good rains have saved the crops from failure. Traveling east from Weihsien by motor bus one passes through a beautiful country. The multitudinous villages of this section are marked by tree tops clustering above the roofs of every humble house and all the space between the villages is filled with the green and gold of kao-liang and millet, fringed with the blue-green of the soya bean.

The Weihsien-Chefoo motor road is an important highway through this section. It is supplied with a fairly good line of busses, the running gear of which is a good American make, with super-structure China-made. I did see one tire of a French brand but it looked lonesome. Luxurious private cars may be hired from the company if one wishes to pay extra. Periodically some cars may be run upon certain conditions and licenses, but there are not many who take advantage of this privilege. Freight trucks are also run by the Company. No other vehicles are allowed, not even bicycles, so the road is kept in good condition. We passed over it just after a heavy rain. Most of it had drained well, but in low-lying lands forces of workmen were draining and leveling the bed.



The Memorial Arch Commemorating Sino-American Friendship Which Was Erected at Chefoo, Shantung Province, Following the Washington Conference. The Arch was Erected through the Efforts of the Students in the Middle School and the Citizens of Chefoo. It Contains an Inscription Reading, "To The Memory of the Two Peoples, the Citizens of Chefoo and Our Friends Across the Seas—May There Be Eternal Peace."

Road Makers

When traveling on a good road in any land I always learn with interest of the original road makers. Some thirty years ago there was a young man of this section who learned English from a missionary lady. He acquired enough of this language to take a correspondence course in civil engineering, and later did some important road making for the government. His pet plan was to build a good road through his native province, and in 1922 he saw the accomplishment of this ideal. It was true Chinese courtesy and respect that the first passenger over the beautiful road was the kind lady who had helped him in his youth. She, with friends of her choosing, was invited to ride in the private car of the road-maker—a rather unique return of bread cast upon the waters. It seemed like a fairy-tale to read a message from this lady saying, "Motoring over to luncheon"—a distance of sixty miles.

A Good Piece of Work

Competent judges consider the road a good piece of work; for beauty it can hardly be surpassed. The most beautiful section of the road is that which winds around Peng Lai Point, near the old city of Tengchow. Here the road rises by easy grading to a point well over the sea, and winds gracefully around the jagged cliffs of the Point. With one hand one may brush the leaves on the tree-tops of the mountain side, and with the other throw a pebble into the blue Pacific below. We found our fellow-travelers courteous and considerate. We had no national label, but a doctor who has practiced twenty years in Shantung needs none. He never gets quite out of range of his ex-patients and greeting to the "Lao Tai Fu" is ever recurring. A surgical scar is the best work of indentification, and is always shown with pride.

One of our fellow travelers was a teacher coming to take a position in one of the schools of Chefoo. Having had an acquaintance with this gentleman previously, we were especially interested in the school of which he told us, and gladly accepted his invitation to visit it during our stay in Chefoo. The school is located on Temple Hill, some five li out from the center of the city. This temple-crowned hill or mountain is quite an educational center—pupils of all the schools totalling about a thousand. Yeh Wen, a mission school, is an interesting expernment in teaching the subjects in English. The commercial course is specialized, but instruction in the Chinese language is carried through all grades. This school has about four hundred students.

Of the non-christian schools, the one to which our friend invited us interested us especially. It stands high up on the mountain side, with the temple above; and just below is a cemetery for foreign use. I think I never saw a burial place more sacredly quiet, up so near the blue of heaven, with the blue of the sea below stretching off into infinity. Much of the history of missions and of merchandise might be written from these silent stones, but it is not our purpose so to do. The living, especially China's living youth, appeal to us more. Climbing broad stone steps we entered the school compound and found ourselves standing first beneath a beautiful "pai feng", a richly gilded memorial arch.

The Story of The Arch

This is the story of that arch, the story of an ideal yet unfulfilled—in contrast to the story of the road-builder. Among Chefoo's many wealthy men was one whose ideal was the establishing of a great school in his native city. Mr. Lin Tzi-heng was an ardent admirer of America's best men, and especially appreciated America's attitude toward China in the Washington Conference. He determined that the school should be a memorial to Chinese-American friendship, and this beautiful pai-feng was erected for this purpose. The face of one side of the arch bears an inscription in English and on the reverse side in Chinese expressing eternal friendship between the two nations. The magnificent school building just beyond the pai-feng also bears the inscription on stone: "Washington Conference Memorial School". One stands reverently before such a monument, sad that there have been jars in the harmony of this purpose, yet hopeful that the harmony may ere long be fully restored, and that the high ideal here recorded may yet have its realization.

Among the difficulties that confronted Mr. Liu, in the furtherance of his educational plans was a thirteen-cornered Chinese quarrel about the deed to the land. Personal reverses made it difficult for him to furnish the funds necessary for so large a project. A picture of the memorial arch sat on the President's desk in Washington, and American friends furnished some money. Yet the project halted. At this juncture Mr. Liu suddenly died, and progress was slower still. In the several years succeeding Mr. Liu's death several school combinations have been effected, but none carrying out fully the noble ideal of the founder. This year the school is affiliated with "Pei Hai," an older school of Chefoo, and both take the name "Tung Hai". The principal and teachers whom we met (all Chinese) were most cordial, and impressed us as being earnest and efficient. The attendance is not large, but the student body as seen on the athletic grounds seemed a good type, physically fit and cheery. With the hosts of young men in Shantung wanting education, one may hope that the school will become an important factor in the educational plans of the province. America's far-seeing current historian Frank H. Simonds, has recently warned that the gilt is wearing off

the Washington Conference picture frame! The is to testify that the gilding is still bright on this China memorial, and to plead that all means possible to keep it so be used by America.

Chefoo As An Educational Center

Other schools in Chefoo also interested us. Our temporary house in the city overlooked a mission school for girls. On one side half a hundred Chinese young women in their teens came and went daily from there house to their classes. Neatly dressed, dignified, yet with plenty of girlish glee, it was a pleasure to see them.

On the other side half a hundred primary-ites came and went, and made several hundred times the amount of noise. Sometimes it seemed the swarming of innumerable bees, but when the recitation time came it seemed more like the discharge of heavy musketry, so great was their uniformity and precision. A little farther off the pupils of a boys' school of the same mission were busy at work under the direction of a corp of earnest Chinese teachers. Still another form of educational work interested us. Chefoo was the scene of the first "try-out" of mass education in North China, introducing the thousand-character system. At first there were sixteen schools located in the different parts of the city. This year due, they say, to high taxes and hard times, the number of these schools has been reduced to eight, but the attendence is still large, and this being the fifth year they are due to "graduate" a goodly number of pupils. These schools are taught in the evening. They are open to both sexes, with due regard to separation.

As we saw the hundreds of young women and girls leaving the factories and work shops in the late afternoon, we wished that these eight schools might be multiplied many times. These workers were for the most part neatly dressed and discreet in manner, but mostly bound of foot. May the time soon come when we shall see them, free of foot, and free to learn, and led in ways that are highest and best!

Laichow, Shantung, October, 15, 1927. A. B. G. G.

Opium and Education in Hong Kong

To the Editor, *The China Weekly Review*:

The Hong Kong Government authorities have increased the fee of schools which, with the exception of a very few Indians, only Chinese attend from $5.00 to $8.00 for the upper schools and $3.00 to $5.00 for the lower ones.

At the same time they cut down the price of opium from

$2.70 to $1.50
$0.90 to $0.50
$0.45 to $0.25.

With one hand they close the doors of knowledge to the majority of the Chinese youths, while with the other they lead them to ruin by placing opium within their easy reach. Don't you agree with me that of all the policies adopted by the British Government to suppress the rising spirit of Chinese nationalism, this is the deadliest. I am sure that in due course King George will award Clementi for his ingenuity in hitting upon this plan.

In order to put dust in the eyes of the public the Superintendent of Imports and Exports, declared, in an intervie wwith a representative of the local press, that Government opium was reduced in its price so as to enable it to compete with illicit opium. I think Mr. Superintendent is unpardonably thoughtless in making this statement, because even granted that this be the sole motive, this motive itself is enough to cause them to be scorned and condemned in the eyes of the world. Scorned, because with the whole crowd of police officers, revenue officers and many other officers, they are helpless in the hands of a few smugglers. Condemned, because they are so heartless as to sacrifice human life in order—to fight the smugglers.

It is a fact that on Oct. 3rd when the reduction of the price of Govt. opium came into effect, the stocks of most Govt. Licensed Opium Sellers were exhausted before the day ran out. This happened in spite of the fact that simultaneous with the reduction in price additional places were licensed and opened for the sale of Govt. opium. Just imagine how many new smokers were created on that day alone and consequently how many lives (Chinese lives) wrecked!

Hong Kong, October 15, 1927 A READER

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A Foreign Business Man Speaks Out!

To the Editor, *The China Weekly Review*:

Sir:—While diplomats sip their diplomatic tea at Peking, doughty admirals with secret commissions as super-diplomats confer with one another and a host of Chinese great I-am's; while missionaries squabble among themselves over what is "best for China" when as a matter of fact they mean what is best for themselves; while a legion of self appointed exponents of Chinese Nationalism try to whitewash their way into soft jobs under the budding governments of Canton, Hankow and Nanking; while a group of so-called die-hards at Shanghai hammer away in vain attempt to force intervention on a China-sick world; while business for everyone in China interested in making his living, whether by peddling soap or religion continues on a steady slide to the devil, this unofficial policy of do nothing, whitewash and quarrel is persisted in by people in China who ought to know better and who either cannot or will not see beneath the surface of their own immediate selfish desires and this applies to the whole category of loud mouthed agitators and pussy-footed conspirators who have managed by a combination of stupidity and downright falsehood to so disgust the rest of the world with China, the Chinese and the fool foreigners who live in China that its attitude toward the whole mess is a "to the devil with it" one. Plain, straightforward accounts of what has happened in this country since a gang of rowdies got themselves killed in Nanking Road on May 30, 1925, have never been written. On the contrary enough good paper has been wasted by one side and the other in extenuation and condemnation to patch the proverbial mile of Hades and after the waste of this tremendous amount of time, energy and a lot of money as well, the world in general has about as clear a conception of what ails China and what ought to be done about it as the average human has of what an inhabitant of Mars has for breakfast. The world in general though, has beaten the China hands to a pretty accurate estimate of the situation in concluding that it is impossible to diagnose what is the matter with the country and that the best thing to do is to let it strictly alone, which by the way is probably the last thing on earth that the Chinese want for themselves and is consequently the one thing that will ever bring back reason to this muddled situation.

The Japanese are, as Reuters once put it, "unofficially rumored" to have been informed by Unofficial High Commissioner Bristol up in Peking that their adoption of a Positive Policy toward China and Manchuria was frowned upon by the United States. The British are also suspected of having added their whisper of admonition in the same direction, and the Chinese press, together with excitable foreign publications, has raised its voice against anything that suggests a policy of positiveness, a clear cut course of action on the part of any of the powers. In other words, any attempt on the part of the three interested nations to define exactly what is their attitude toward China is to be frowned upon by the Chinese and their foreign hired men on the one side, and unless the policy of their government means starting a world war out here, it is to be fought tooth and nail by the other side whose head-quarters seems to be located in the offices of the *North China Daily News*.

Why the noisy Chinese publicists and politicians want nothing as radical as a definite stand on the China question from the world powers is perfectly evident. They fatten themselves upon turmoil and all the whitewash in the world can't make a sober Yankee trader believe there is no money in revolutions. We have had too many of them nearer home than China to be under any illusions as to what happens behind the lines when a few rival generals start a fight for supreme power, the symbol of which is the house flag of the Dollar Steamship Company. Anybody who has had experience in selling munitions of war to revolutionary heroes knows that a purchasing agent needs no yellow hide to enable him to double invoice values. It needs but a scant acquaintance with some of the personnel of the Hankow and Nanking governments to convince anyone but a born apologist for grafters or a fool that if this country had anything approaching a government there would be a small army of returned students out of luck and trying to get a living without working for it, and in Peking the situation is just as bad. One side hails the North as the deliverer of the foreigners and the "peaceful Chinese" from the bondage of Bolshevism while the other greets the South as the political Moses to lead downtrodden China from the wilderness of imperialism. What does it all mean? It means simply that disorder in China is a paying game for the one side and a better alternative for a crowd of very interested foreigners on the other than the only sensible course to adopt in the circumstances in which they have allowed themselves to be caught.

A few facts which comprise the keystone of the entire situation seem to have been buried out of sight by the noise makers of both sides and especially by the foreigners in China who could, if they would, enable their governments to come to a rapid decision on China. In the first place, it might as well be understood by all hands and the cook that there isn't going to be any armed intervention and a consequent world war out here if the United States can help it. America paid and is still paying the bills for the last excursion to Armageddon and has got enough of it. The British can't afford a military joy ride out here on their own and the Japanese couldn't finance a six weeks campaign on the lines of modern warfare. In the second place it is understood about everywhere save in foreign circles in China that the whole foreign trade of the country isn't worth getting hot under the collar to the countries most concerned. The shoe is on the other foot, the Chinese foot. In the next place it may as well be understood that aside from the froth of a gang of empty headed school boys and the disgusting hypocrisies of experienced, educated Chinese who ought to be up to better jobs than grafting on the somnolent patriotism of their less fortunate countrymen, there is a real and determined spirit of national conciousness being evolved in the country which has got to be dealt with if foreigners are to continue to reside and do business in the country, and right here is where a positive policy backed up by positive action on the part of the United States would immeasurably hasten up the final recovery of the country from its epidemic of civil warfare and near-anarchy, and by policy backed up with action is not meant a declaration of war and a blockade of the treaty ports.

Even the so-called Shanghai diehards admit that the present Sino-foreign treaties are as obsolete as the one horse shay. Many of them will even grant that anything approaching effective intervention is out of the question. But they all want the situation let alone in general, a mild bluff here and there serving to keep the pot boiling and a little business doing in the vain hope that some *deus-ex-machina* will eventually bring about a miraculous change in conditions surrounding trade and mission work. Now instead of tinkering with a worn out old rattle-trap of a treaty conveyance why not call the hands of these loud-mouthed returned students and their war lord masters by scrapping every treaty we have with China and then have a new deal? What nobody who has taken the trouble to think about the question can understand is what the foreign opponents of treaty scrapping can see in the present treaty situation that is of any use to them in a material way.

The Outworn Treaties

Treaties with China are supposed to endow us with extraterritorial privileges for our persons and our goods. Do they? They do not. In theory perhaps, but in practice, no. Illegal from the treaty standpoint taxes are levied upon our imports the moment they get outside a Settlement or Concession and exports which we have paid for in good hard cash are taxed until the traffic will bear nomore. We are supposed to have the right of travel, free and unmolested. Our passports are spat upon and so are we. If we live outside a tiny foreign controlled spot on the map our homes are invaded by soldiers and police and we cannot even sack a coolie without the permission of a police officer. We complain to our consuls who are powerless to do aught but write notes and more notes to Chinese officials who are fattening off the proceeds of treaty breaking, and we get no redress. Could we be worse off with no treaties at all? A lot of people believe we would be better off.

In the first place, if the treaties are scrapped the Customs will go to pot and one fine source of military revenue will be so absorbed by small grafters that munitions dealers will have hard sledding. In the second place it is a certainty that the import and export trade of the country will go completely to the devil, thereby reducing the Customs revenue to the irreducible minimum and putting a legion of tax farmers ranging all the way from tuchuns to petty likin-runners out of their parasitical jobs. There is no danger of the Chinese being able to handle their foreign trade on their own as do the Japanese. When the radical Nanyang Brothers Tobacco Company has to import Americans to run their factories and buy their tobacco for them in order to keep out of the red side of the ledger and when Chinese banks have to have foreign accountants and Chinese ships foreign skippers there is no danger of a racial metamorphosis into a nation of big business men. The whole thing sifts down to the question of whether it is better to hang on for a few years more and let China's foreign trade commit a gradual suicide or to administer an anaesthetic and carve out the source of the trouble with trade by eliminating the treaty-sheltered politicians and parasites who wont last long when revenues stop coming in. Treaty scrapping means a closure of business for a time. But it will bring about a conversion of the best of the present crowd of nation wreckers to a creed of sanity and it will give the better merchant and scholar element of the country a chance to come forward to their natural positions of leadership, the one because their livings are threatened, the other because China's real scholars are usually patriots, if given half a chance to prove it. Given a government or a dozen governments of public spirited men with empty treasuries to prove the need of resumption of trade it would not be difficult to negotiate treaties which would be acceptable to all concernt ed. It will be many years before a foreigner without extra-territorial rights will be able to live in security outside the range of vision of his consuls and gunboat captains. But that condition exists today with no evidence of improvement. It is unpleasant to be unable to fire a thieving cook without the permission of a squeezing police officer and a union leader, but you are up against that very proposition all along the Yangtze today so why not get used to it if you intend to stay in the country and do business.

An era of no treaties, a sort of inter-treaty interval, would no doubt commence with taxes amounting to confiscation on every line of foreign trade and endeavor. A lot of returned student officials would amass fortunes and spend the rest of their lives abroad but that era could only be a short one. A lot of foreigners in China who have forgotten what a lame back and a sore pair of hands feel like would find out in other countries if they wished to keep on eating but China and her foreign trade would be the gainers thereby. Starve out the military-politician-grafter class of Chinese officials and the foreigners who can't see ahead farther than their next meal and there will be a chance for China under decent government or governments and for foreign trade under treaties framed to meet present conditions. Blunder along as we are blundering today, with trade getting worse and anarchy on the increase and it won't be long before foreign trade will be dead anyhow and China an economic and political wreck that will take a century for salvaging. Why not be positive and save a century of time?

AMERICAN BUSINESS MAN

Shanghai, October 17, 1927

British Residents at Hankow Want Chen-O'Malley Agreement Revised

The British residents of Hankow held a largely attended meeting October 12 at which resolutions were passed asking, among other things, for a revision of the Chen-O'Malley agreement.

At about the same time the Far Eastern section of the London Chamber of Commerce unanimously adopted a resolution urging that in view of the disastrous results of the handing over of the former British Concession at Hankow it was not desirable that the British Government should initiate or continue negotiations for the modification of the status of other concessions or treaty ports at present.

Reuters' Agency in the telegram giving the above information stated that the British Government does not intend to reoccupy the former British Concession at Hankow for the present. It was added, however that should the necessity arise Britain would naturally have to reconsider her position, but at present there did not appear to be any grounds for making such action necessary.

The resolutions passed by the British mass meeting at Hankow were as follows:

1. It is resolved that H. M. Goverument be asked to present a strong formal demand to the Nationalist Government that all troops now occupying Municipal and private properties be forthwith removed and not in the future allowed illegally to occupy properties in this Municipal area. Failing compliance with such demand that H M. Government should itself take the necessary steps to eject the military and other trespassers.

2. It is resolved that H. M. Government be asked to press the Nationalist Government for a sound Municipal implementation of the Chen O'Malley Agreement in the spirit in which it was negotiated, viz: as sound a municipality as the one it succeeded free in municipal matters from political interference or coercion. Accordingly that the Chen O'Malley Agreement be revised so that the Director is not a member of the Council, but exercises only functions similar to those exercised by H. B. M. Consul-General in the former British Concession, that all employees of the Council be engaged by and subject only to the discipline of the Council.

3. That H. M. Government be asked to notify the Nationalist Government that the Police and other Authorities in S. A. D. No. 3 must be free to exercise their proper functions free from military or other interference and that H. M. Government looks to the Nationalist Government to see that this is so, and to afford its full support to the Municipal Authorities in this respect; failing such proper maintenance of municipal law and order that H. M. Government reserves the right itself to take the necessary steps to enforce it and from time to time to land forces for this purpose.

4. It is resolved that the ratepayers themselves should make it a condition of their next budget vote that a reasonable number of competent fully qualified foreigners be employed by the Council on its staff.

Shanghai—The Filature and Silk Market Centre

BY PAUL K. WHANG

WITH the awakening of the Chinese people and the persistent cry for the rendition of foreign settlements, Shanghai, the premier metropolis in the Celestial country, has been brought to the world's attention, Being a silkman myself, I do not attempt to present the political side of this important issue, but, would like to see the return of the administration of Shanghai's foreign settlement to China's hands, simply because this great city assumes a dual role in China's silk industry—the center of silk filatures as well as the great silk market.

As the center of silk filatures, Shanghai has boasted of 91 filatures out of the total number of 126 in Central China, and speaking of basins, it has 21,598 out of the total number around 32,000 or so. These facts will be amply shown by referring to the following table.

Name of City	*No. of Filatures*	*No. of Basins*
Shanghai	91	21598
Wusih	21	6762
Soochow	3*	788
Chinkiang	2	456
Hangchow	4	972
Siaoshow	1	340
Huchow	1	200
Kashing	3	—

*One Japanese filature (200 basins) is not included.

Thus Shanghai claims more than two-thirds of the silk filatures in Central China. Out of these 91 filatures, 29 are located in the foreign settlement, while the other 62 are in the native district. With these facts in in mind, we shall further trace the silk industry's growth and the reasons therefor.

To begin with, we must give credit for the introduction of reeling silk by machinery to a certain Frenchman who built the first steam silk filature of its kind at Shanghai in 1878. Its success soon attracted the attention of Chinese silkmen, and the new style was quickly taken up by the Chinese capitalists. Eventually this abrupt change led China's silk industry into a new era, with the passing of the domestic system into the factory system. As a result, many silk filatures sprang up, and practically all of them were built after the Italian model. At the beginning, most of the filatures engaged foreign silkmen as their inspectors, who were paid either by salary or on a commission basis. But as soon as our silkmen have become well versed in the modern process of production, they can run the filatures just as well, even though a few filatures still retain the service of foreign inspectors.

In order to introduce this new style to the inland cities where the people have been more or less conservative, several sober-minded and far-sighted officials promoted the organization of silk filatures with capital partly subscribed by the local government and partly by the public. However, a proposition of this nature did not appeal to the public support, inasmuch as the administration of any industrial enterprises by the officials had always been featured with inefficiency and fraud, failure being the inevitable result. Therefore, only one or two filatures were organized in this way, and their existence was only ephemeral.

Chops of Poor Reputation

As a rule, Shanghai silk filatures have been operated on a very small capital, buying from hand to mouth. In case of business depression, no reserve fund is available to tide over the crisis and the inevitable result is that the filatures change management. Due to this constant changing of management in many of the filatures, the chop produced by these filatures can not be called reliable. This frequent change of management and chops has done much harm to the reputation of China silk, as no products of a uniform quality can be produced by these short-lived filatures. Moreover, many filature managers, who have never been equipped with the technical knowledge of running the filatures and whose minds have been chiefly engrossed with money-making, have never given thought to the improvement of their products. It is noteworthy to relate that the management of those filatures in Soochow, Wusih, and Hangchow has been more or less stable, as they are backed up with much greater financial resources.

To speak of the silk industry as a whole in Central China, its growth has been quite steady and consistent, marked with no serious crisis except two instances. In 1914, when the World War broke out, the export of China silk was brought to a halt. This stoppage of exportation caused a great consternation among the silkmen, inasmuch silk, as produced by the filatures, was and has been all for export. This crisis was barely averted when the government, for the first time in the history of China's silk industry, advanced money to the silkmen at a low rate of interest, with the provision of paying back by installments. Again in 1923, at the time of the cocoon season, animated by the high silk price, the silkmen went wild to overbid each other in buying the cocoons, (In some cases, they paid 100 dollars for one picul of fresh cocoons, while they only pay 60-70 dollars in ordinary times). But to their dismay, the silk price dropped down after that. Furthermore, in August of the same year, when the news of the Japanese earthquake reached Shanghai, an element of speculation crept into the market. As a result, nearly all the filatures in Central China lost money that year. Aside from these two bad years the silk trade has weathered no other storms, with the addition of new filatures every year.

Why Shanghai Leads

That Shanghai has been the focal point of silk filatures is not without reasons. First of all, it is the premier silk market in China. With the opening of the door of Shanghai to the foreign traders and the creation of foreign settlements therein, many foreign silk buyers have come to Shanghai to establish business connections with the Chinese silk-dealers. As raw silk produced by the filatures has been mostly for export, to have the filatures located in the market might secure a closer contact with the foreign buyers, so that the filature men can get the first-hand market news. Moreover, thirty or forty years ago, railroads were not yet constructed in this region, and communication facilities were very poor. To ship goods to Shanghai even from Soochow (about 70 miles away) by water took an uncertain number of days. Under this difficulty naturally filature men picked Shanghai as the most convenient place to locate their filatures. Secondly, labor is abundant. With the expansion of commerce, coupled with the establishment of various industries, Shanghai has become an attractive place for people from the country. As the silk industry employs female workers only, it has a close relationship with other industries which supply work to the strong sex exclusively. The silk filatures in other districts have always had trouble to get labor, while Shanghai filatures have never experienced such a difficulty.

But, with the construction of transportation and communication facilities, Shanghai has no longer enjoyed its aforesaid advantages from the standpoint of the silk industry. On the other hand, on account of the high rent charge and high cost of living, filature men have now moved their filatures to other cities where the rent is much cheaper and the cost of living is lower. In the past years, on account of the high cost of living, Shanghai filature men have to pay two or three cents more a day to the silkwomen than the wages paid in other silk-producing centers. Being not a cocoon center, Shanghai filature men have to buy cocoons from other cocoon-producing districts, and the shipment of cocoons from thence to Shanghai has always been the cause of troubles. To all intents and purposes, the growth of filatures at Shanghai has gone to its limit, and henceforth the filature men will discover some new field to build their filatures. Therefore, every year new filatures have been added in these cities, such as, Wusih, Soochow, Hangchow and Kashing, with Wusih offering a special enticement. To be plain, the silk filatures of Wusih which buy cocoons from Wusih district do not have to pay a tax on cocoons, but pay a tax on silk on the basis of 475 catties of dry cocoons equivalent to one picul or 100 catties of raw silk. This standard was established a long time ago. On account of the deterioration of the quality of Wusih cocoons, it now takes six or seven piculs of dry cocoons to make one picul of raw silk. Thus Wusih filature men have been specially favored by paying a less amount of taxes. If general conditions continue favorably for the silk industry, before long Wusih will easily surpass Shanghai as the center of silk filatures.

Shanghai's Silk Export

As a silk market, Shanghai is second to none in China, Besides Canton silk which is exported from Canton directly, nearly all White Steam Filature silk from Central China, Yellow silk of Szechuen Province and Tussah of Chefoo are exported through the port Shanghai. From 70,000 to 100,000 piculs of raw silk are shipped annually. Practically all the silk shipped from Shanghai is shipped through the hands of foreign exporters, who act as either agents or representatives of their various customers in America, Europe, Asia and Africa. At present, the number of these foreign silk exporting firms, big and small, is nothing short of twenty. In 1908, these exporters formed an association called the Foreign Silk Association of Shanghai, which has adjusted various differences between the buyer and seller with Chinese Silk Guild. As no definite rules have yet been set in regulating the buying and selling, disputes between the buyer and seller are inevitable.

As customary, raw silk is sold to the exporter through the Chinese silk broker. These men go from one exporter to another to give the trend of the market, the transactions reported in the trade and to bargain for the best price for the sale of raw silk at their disposition. As a silk broker, he has

to belong to a certain silk hong, as no broker without affiliating with the silk hong can sell silk for others. As a rule, a silk broker must serve the term of apprenticeship for a number of years. By selling a bale of raw silk, he will get 3.50 taels from the seller; but this money does not all go into his pocket, as he has to share it equally with the hong he represents. To sell the silk through the broker is by no means satisfactory to the seller, as the latter has been deprived of the direct contact with the buyer. In case of complaints and disputes as to the quality of silk, the broker, being not well versed in the process of silk-manufacturing can not tell the seller the causes of defects. Moreover, most of the silk brokers have not been equipped with a sufficient knowledge of English, and the language they speak is a mixture of Chinese and English, called "Pidgin", as, for instance, to say: "Do you want to buy twenty bales of 'Centaure', spot delivery," this is what you hear: "Suppose you wantchee twenty bailee 'Centaure', me can bling chop this place." Therefore, it will be much better for the filature men, if they can go to the exporter to sell the silk by themselves without the intervention of a third party, whose service is not altogether indispensable. To the filature men of a small capital the existence of silk hongs might be of assistance, as these filature men in case of need might obtain a loan from the silk hong through which their silk has been sold.

The filature men and cocoon merchants in Shanghai have formed the Cocoon Merchants and Steam Filature Guild of Kiangsu, Chekiang and Anhwei Provinces for the purpose of promoting their interests in dealing with other organizations, such as the Governmental Tax Bureau, for Foreign Silk Association of Shanghai, etc. The Guild has branch organizations in all the important cocoon districts where meetings are held at the beginning of the cocoon season to decide the date of opening the market and the price to be paid for cocoons. Only recently, a new organization has been formed under the name of the Shanghai Silk Filatures' Union, which is composed entirely of filature managers of the Shanghai district. Besides, Shanghai has two more organizations in connection with the silk industry, namely, the International Committee for the Improvement of Sericulture and the Shanghai International Testing House; the former has to do with the breeding of disease-free eggs, while the latter has contributed much to the improvement of China silk.

As to the cocoon production, the quantity produced at Shanghai is almost negligible. Owing to the lack of available land for the cultivation of mulberry trees, there is no prospect for the expansion of the silkworm industry in this region.

In a word, in view of the above-stated facts, Shanghai's position as the filature and silk market centre in undisputable. Since Shanghai claims more than two-thirds of the total filatures in Central China, it has a great bearing upon China's silk industry. It is not necessary to reiterate that all patriotic Chinese silkmen would like to see the rendition of the Shanghai foreign settlement become a realization, so that this great silk center will be wholly under the administration of the Chinese Government.

Trial of Alleged Ammunition Vendor in U.S. Court

The U. S. Court for China has been occupied for a week in trying the case in which Knight M. Crawley is charged with fraud in connection with an alleged deal in ammunition with two Chinese representatives of General Yang Sen, military governor of Szechuen province. The case is being tried before Judge Milton D. Purdy, the prosecution being in charge of District Attorney Sellett.

The allegation is that Crawley together with Elly Widler, had secured a sum of $73,000 for which they were to furnish two million rounds of ammunition, promising to deliver same by an American war vessel. In the deal Widler posed as "Thompson", and it is alleged that some unnamed person had donned an American naval uniform and had represented himself as ready to attend to the transport of the ammunition. Chinese representatives of the Szechuen governor testified that they had paid the money. They did not have a copy of the contract, however.

What actually was the nature of the contract is the disputed point in the case. Elly Widler, who came into prominence some years back, through his having been held as a prisoner for some months in Szechuen, and concerning which experience he wrote a book, has more recently come into prominence again as the vendor of American-made bullet proof vests. He gave evidence that the contract called for the delivery of vests, not for the delivery of ammunition. He further testified that it was not true that Governor Yang Sen had imprisoned him because he furnished ammunition to Yang Sen's opponents. The reason, said Widler, why he was held, was in order to secure a ransom. Widler further alleges that the Szechuen military atthorities robbed him of a large amount of property.

A spectacular witness for the defense was a man named Slevin, who claimed to be a promoter of aviation, a coal mine and railway promoter and a moving picture operator.

Tin In The Far East

BY BORIS P. TORGASHEFF,
(*Sometime Lecturer of the Peking National University*).

IN the world's production of tin the Pacific Coast of Asia plays an enormous role, producing as it already does at the present time *more than one half* of the entire quantity mined in the world, and this role promises to become even greater inasmuch as all known important reserve supplies of tin are found in the Pacific Coast countries of Asia, in the Malay Peninsula and Siam, as well as in several countries of the Far East.

Tin is a metal which according to its normal value ranks three times higher than copper, five times higher than zinc and six times higher than lead. Tin veins contain various quantities of tin metal, from one to forty per cent, but as a general rule the contents of the majority of worked deposits of tin ore approach the minimum rather than the maximum quantity. It is sometimes profitable to work tin ores even when they contain no more than half a pound of metal per cubic yard—to such extent is tin valuable.

The tin reserves in the world are very limited, and it is believed that new discoveries of importance will hardly be made. With regard to the present production it may definitely be said that it is unable to keep step with the world's demand for tin. The greatest demand comes from the canning industry, where it is required for the manufacture of containers. It has been figured out that during the last post-war years the American tin factories have worked at 85% capacity only because of lack of raw material, while the English faciories suffer still more and work only at 75% capacity. The seriousness of the situation is further complicated by the fact that while the smelting of tin in the world has grown considerably within the past few years the demand for this metal has increased at a still more rapid rate. The development of the world's production of tin may be seen from the table below:

The World's Production of Tin

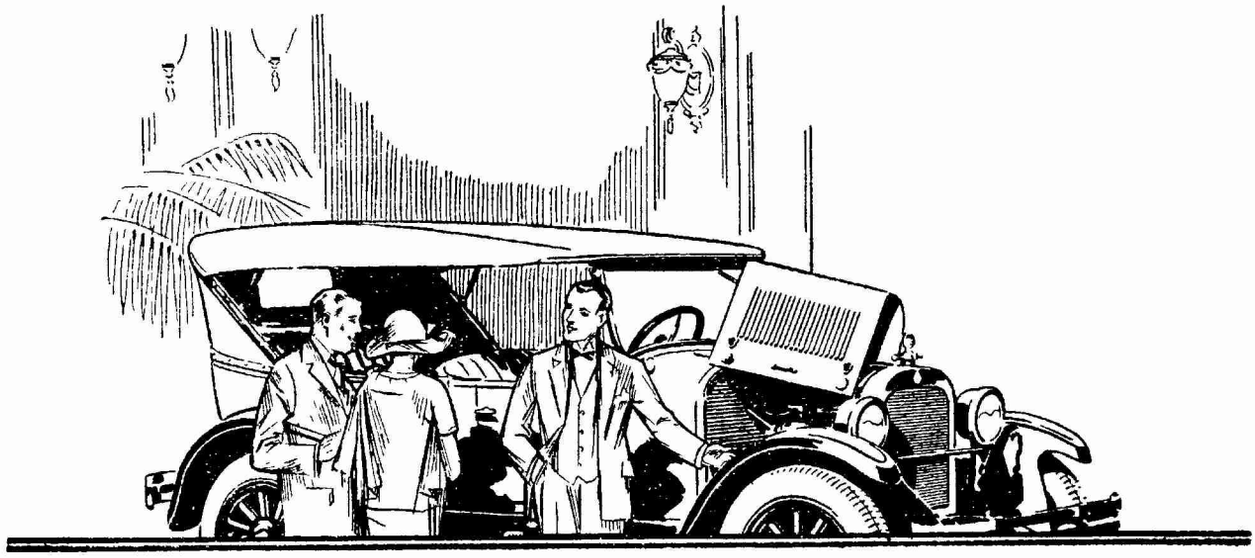
Years	Metric tons
1893	69,800
1909	108,600
1910	115,700
1911	118,200
1913	132,500
1914	130,000
1916	120,000
1921	98,000
1922	121,300
1923	142,240
1924	151,380
1925	152,400

The largest producers of tin are the British controlled *Federated Malay States*, which contribute approximately 30% of the world's production. In 1925 the production of tin by the Federated Malay States was brought up to 45,926 English tons. Not only is the entire quantity of the ore smelted locally but much ore is imported from the Dutch Indies, Siam and other localities, and is also smelted there, so that the tin smelters of the British Malay States in 1925 smelted 79,000 English tons of tin metal.

The second place in the mining of tin ore belongs to *Dutch Indies*, where in 1925 was produced a large quantity of ore, equivalent to 32,749 English tons of metal; of the entire quantity of ore mined locally were smelted only 14,478 tons. Generally speaking, the reserves of tin in Dutch Indies as well as in the Malay Peninsula are considerable.

Almost a similar quantity of tin, if we consider the metallic equivalent of the ore, is given by *Bolivia*, which latter country within the past few years has produced from 30,000 to 32,000 tons of tin, the ore being expressed in terms of the metal. The entire production is controlled by the English, and practically no ore is smelted locally. The tin industry in Bolivia was developped during the war, and much hope was placed upon this country, exaggerated, it would seem, inasmuch as it is already known that the reserves of tin there are comparatively limited.

Considerable producers are also *China*, *Siam*, *Australia* and *Africa* (Central and South). Siam, where the tin industry is comparatively young, already has a number of excellently equipped dredging enterprises, and in 1925 the production of tin there was already brought up to 8,062 tons. Generally speaking, Siam as well as the Federated Malay States are considered to be countries possessing considerable reserves of tin, and in which the production of this metal may still be largely developed. Among recently opened tin producing countries should be mentioned *Nigeria*, where in 1925 there were already produced 6,256 tons of this metal.



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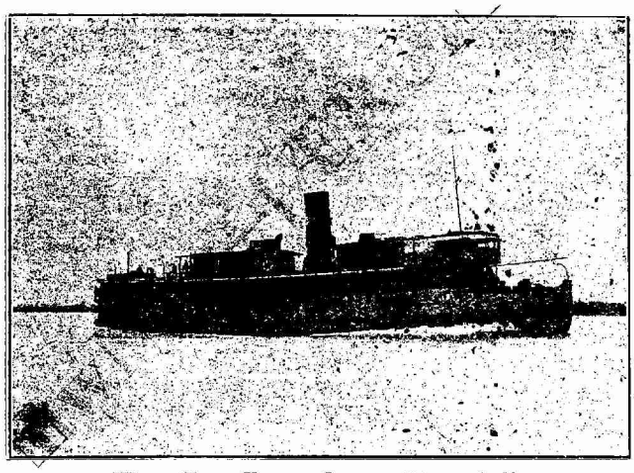

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Tin is usually smelted at points of production, but inasmuch as the majority of these are controlled by English capital the tin ore is smelted either in England or on the Malay Peninsula. The result of this has been that within the past two reported years, 1924 and 1925, in England and its possessions were smelted more than 80 per cent of the entire production of tin in the world.

The latest official data of the British Imperial Institute, London, make it possible for us to give the reader a comparative table of the world's production and smelting of tin by countries. We have here taken only the figures for 1925, as the last year recorded, but the correlation was the same for the preceding years, 1923 and 1924:

Distribution of the World's Production and Smelting of Tin

Countries	The world's production of of ore in 1925 (the figures give the metal contents the ore).	The world's smelting of tin in 1925
	English Tons of 1016 kg.	
Federated Malay States.....	45,926	79,082
The United Kingdom	2,339	39,082
Other British Possessions...	14,335	3,171
British Empire Total	62,600	121,000
Dutch Indies.....	32,749	14,478
Bolivia	32,074	61
China.....	8,500	8,883
Siam	8,062	291
Other countries ..	5,615	5,287
Totals.....	150,000	150,000

The greatest consumer of tin is the United States, absorbing up to 60 per cent of the annual world's production. Inasmuch as the United States is entirely lacking in tin reserves (the registered production in 1922 was one ton, in 1923 two tons). it is necessary for this country annually to import in excess of 75,000 tons of tin metal (76,076 English tons in 1925). By 1925 the demand in the United States for tin had increased by 46 per cent, and it continues to grow.

Other large consumers are England, Germany and France. In general it must be stated that Europe is recovering very slowly from the post war depression in the tin industry, and Europe's demand for tin continues to be less than it was prior to the war.

Summed up, the world's consumption of tin may be expressed by the table below, borrowed by us from the London "Mining Magazine", in which, however, the figures relating to Asia are much too low, as will be seen from subsequent discussion in this article:

The World's Consumption

Continents	1913	1922	1923
		Tons	
America	48,400	70,000	76,400
Europe	70,100	49,600	46,500
Asia	8,700	8,500	9,000
Australia...	1,400	1,000	1,000
Totals ...	128,600	129,200	132,900

If we take the average annual tin prices on the New York market for the years indicated in the above table, we receive the following, very large, figures as expressing the growth in value of the world's consumption of tin:

Value of the Annual Consumption of Tin in the World

Year	Average annual prices	Metric tons	Total cost in American Dollars
1913	976	128,600	125,513,600
1922	702	129,200	90,698,400
1923	922	132,900	122,533,800

While Europe still produces a certain amount of tin the reserves there are exhausted to such an extent and the cost of production is so high that it is impossible to count upon any further development of the European tin industry. Indications are also to the effect that there is no hope for any considerable development of tin production in Bolivia and Australia.

All of the above creates a favorable condition for those Far Eastern countries where there is tin. *China*, with its annual production of 9,200 tons, *already occupies fourth place* in the world's production, and this, as well as other Far Eastern tin producing countries have every possibility of occupying an important place in the world's tin market.

As has already been stated above, in the Far East China occupies fourth place among the world's producers of tin. Considerable reserves of tin are found also in other countries

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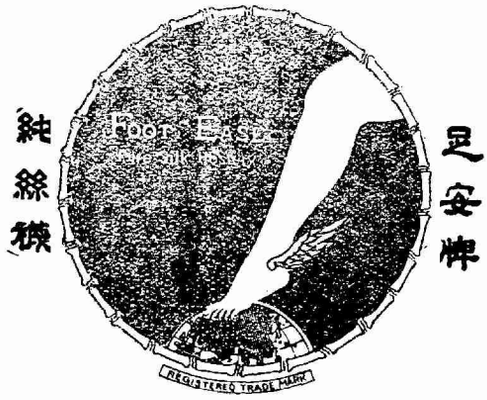

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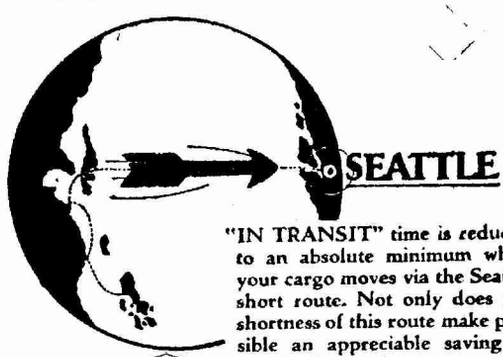

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of the Asiatic coast of the Pacific Ocean: *The Russian Far East* and *Indo-China*. In other countries of the Far East tin has so far been found in unimportant quantities only, but the above mentioned three countries of the Far East have every possibility of making tin an important item of revenue by entering with the same upon the world's market. At the present time the following quantities of tin are produced in the Far East:

The Production of Tin in the Far East

Countries	Metric-tons	Value in U. S. $	Remarks
China	9,200	9,803,312	*1925.* Peking Geological Survey. Total valuation: Hk.Tls 12,260,350 (at 80).
Indo-China	591	746,473	*1925.* Indo-China Bureau of Mines. Valuation in U. S. $ 1263 per metric ton.
Japan proper	391	560,147	*1925.* Japanese Bureau of Mines. 652,482 kin—1,-120,294 Yen (at 2865 Yen per ton, i.e. 1,433 U.S.$.)
Russian Far East	—	—	Considerable industrially important reserves established. These were slightly touched in 1812-1852. Industry now in the course of organization.
Korea.....	—	—	Tin exists, but value of reserves not yet established.
Totals.....	10,182	11,109,932	— —

With a world production of 119,100 metric tons (in 1923 the latest figure on hand) this represents 8.5 per cent.

It is quite impossible to give even approximately correct figures relative to the consumption of tin in the Far East. In 1923 the London mining journal "The Mining Magazine" estimated the total consumption of all of Asia at only 9,000 tons, but this is an entirely incorrect and very low figure, inasmuch, as will be shown in that part of this article dealing with China, as China alone requires approximately 13,000 tons of tin. In any case it must be considered that at the present time the Far Eastern countries still produce less tin than they consume. This is confirmed by the fairly considerable importation of tin and tinware from Europe and America.

The world's prices on tin are fixed in London and New York. From 1910 to 1925 the New York market showed the following fluctuations in average annual prices on tin:

Years	American Dollars per metric ton
1910	776
1912	1,016
1913	976
1919	1,396
1920	1,064
1921	630
1922	702
1923	922
1924	1,145
1915	1,263

This table clearly shows how rapidly and firmly tin prices began to advance after the temporary general depression following upon the war.

The London market during the past two years quoted practically the same prices:

Years	Pounds sterling per ton	
	From	To
1924	236-09-02	254-15-4
1925	258-10-06	258-12-08

In the Far East the governing prices are those quoted in Japan, *i.e.* on the Tokyo Exchange. Besides Chinese tin Japan also buys Malay tin, and in 1923 in Tokyo were paid:

Yen 2,191 for one metric ton of first-class 98% Chinese tin
„ 2,277 „ „ „ „ „ 99% Malay tin.

China

Deposits of tin are known in China to exist in the Province of Hunan and in the three southern provinces of Yunnan, Kwangsi and Kwangtung.

In northern Hunan the tin ore is met with in the form of residual deposits in granite and limestone. In southern Hunan, Kwangsi and Kwangtung tin ore deposits are considered to be mostly alluvial.

Of all these tin producing provinces *Yunnan* is the most interesting, not only from the point of view of consumption of tin in China alone, but also from the point of view of the world's

requirements. The richest tin region in this province is the district of *Kokiu*, where rich deposits of tin ore are found in a mining area of 700 square kilometers (the most important deposits are at *Malake*) and which at present time supplies up to 90 per cent of the total of tin produced in China.

(To be continued next week)

National Christian Council Discusses Important Problems

A series of meetings under the auspices of the National Christian Council were held in Shanghai end of last week and beginning of this week to study the problems which are now confronting the Christian movement in China.

One day's session was set apart to discuss the following four primary problems: (1)—What is the Christian message? (2)—How shall religious education be carried out? (3)—What should be the relations between the older and the younger churches? (4)—What is the obligation of Christianity in the present situation?

Discussing the above subject the Rev. Pao Wang-ling stated that the elements in Christianity which made the deepest appeal to the Chinese were: Equality, liberty, charity, loyalty, the sacrifical spirit, and the practical application of its principles to life's needs.

Dr. C. S. Maio said that the subject of religious education was befogged by the lack of a definite terminolgy. Dr. Miao felt that heretofore religious teaching had been left too much to the missionary, with the result that when the evacuation of missionaries took place all too few of the Chinese leaders were found ready or interested enough to take over the problem of religious education.

Discussing the subject of the relation of the older churches to the younger churches, Y. S. Tom, secretary of the Church of Christ in Kwangtung province, said that his experience mostly lay in that part of China which was under Nationalist control; he said it was inevitable that there should be a rising desire for freedom from foreign connections.

Seven Months In Jail Without Trial In Tsinanfu, Shantung

According to a report in the *North China Star*, the American paper in Tientsin, Gen. Chang Chung-chang, tupan of Shantung province, is still holding in jail in Tsinanfu, the capital of the province, 47 Russian seamen who were arrested at Nanking on February 28 last when Gen. Chang raided the Soviet ship *Pamiat Lenina*. In a letter addressed to the Editor of the *Star* the seamen declared that following their arrest when Gen. Chang raided the ship and seized Mrs. Borodin, the seamen were all taken to Tsinanfu and lodged in jail. They have since been kept in close confinement in insanitary conditions and despite frequent appeals to the military court, no formal charge has ever been lodged against the men and they have been refused trial. About the first of October the men declared a hunger strike as a result of which they were informed by the Court that they were arrested in connection with the case against Mrs. Borodin, which has long since been settled. Several of the men are said to be seriously ill.

George Hsu-chien Repudiates Report of His "Red" Connections

George Hsu Chien, former Minister of Justice in the Wuhan Government, in a letter published in the *North-China Daily News* on October 18, denied certain allegations which were made by a writer in that newspaper last summer that Mr. Chien was a Communist. The articles to which Mr. Chien referred were contributed to the *North-China Daily News* under the heading of "China in the Grip of the Reds" and were supposed to have been written by a Russian previously in the employ of the Wu-han Government. The name signed to the articles was that of "Eugene Pick" supposedly a pseudonym. Mr. Chen in his letter declared that references in the articles to his connections with the "Reds" were entirely false saying, "These statements are both untrue and groundless and apparently the author has been misinformed or he is deliberately attempting to deceive the public." In consequence of this Mr. Chien demanded that the *North-China Daily News* publish a correction and an apology.

C. Walter Young Departs for Holland

C. Walter Young, an American who has just concluded a three years study and investigation of conditions in Manchuria under the Willard Straight fellowship, departed this week for Leyden University, Holland, where he will complete his studies prior to returning to the United States. Mr. Young is a graduate of the University of Minnesota and after returning to the United States will probably become a member of the faculty of that institution. The Willard Straight Fellowship was established by Mrs. Willard Straight as a memorial to her husband who once served as American Consul in Manchurie and later became prominent in American commercial and financial life. Mr. Straight died in France shortly after the close of the world war.

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Picture—Courtesy of The China Courier

Judge Loo Hsin-yuan, President of Provisional Court.

Judge Loo of Provisional Court Explains His Position

Chief Judge Loo Hsin-yuan of the Provisional Court, whose dismissal was announced last week, but who still continues to hear cases, made a statement of his position during the week in the *China Times*, one of Shanghai's best Chinese newspapers. Judge Loo refutes the accusation that he has not been active in suppressing communists and cites numerous instances where he had made orders to have certain persons handed over to the Chinese military authorities as requested by them, but owng to protests of Consular deputies or the refusal of the Shanghai Municipal police to obey the orders of the court the "instructions" of the local military authorities could not be complied with.

Judge Loo says in this connection:

"The Court has to maintain our national prestige, and if it acts blindly without taking into consideration the protest of the Consular Body, the result would be that, in spite of the decision of this Court to hand over prisoners to the military authorities, the Consul's deputy would order the police to release them, thereby lowering the prestige of this court. As this Court is under the jurisdiction of the Nationalist Government, anything that tends to lower its prestige will injure the prestige of the Nationalist Government as well.

"Recently, the foreign residents in the Settlement suggested that either the Mixed Court be restored or a Special Court be organised, and should this be done, the work of our Government and citizens during the past several years for the rendition of the Mixed Court would become fruitless. I have paid great attention to this point, and this has aroused the ill-feeling of the military authorities.

"As regards my personal conduct, I have always been loyal to the Kuomintang and to the country. I was forced to resign from the post of Chief Procurator of the Canton Government by communists, and, naturally, I am not pro-communist. As regards bribery, the position of a Chief Judge is to supervise the working of the Court, and the Judge in each case has full power to dispose of a case."

Judge Loo concluded by referring to his seven years service as a law officer and requested a thorough investigation of his case.

Nationalists Will Inaugurate Supreme Court System

The Nationalist Government Council will shortly issue a mandate ordering the abolition of the office of Provincial Commissioner for Justice and the adoption of the Supreme Court system in its place. This decision is being taken on the recommendation of the Ministry of Justice which aims at avoiding the intricacies and confusion incidental to the present system. The judicial systems are not the same in the different provinces at present nor is there uniformity in the appointment of judges. A Supreme Court is to be established at Nanking as the final and highest judicial organ, over and above all the district courts and high courts of the Nationalist provinces.

Memorial Service for Gilbert Reid To be Held November 29

A memorial service to the late Dr. Gilbert Reid, founder and director-in-chief of the International Institute of China, Inc., will be held on what would have been his seventieth birthday, November 29, at the Institute. A memorial tablet in honor of Dr. Reid is to be prepared.

The future of the Institute is now being studied, with a view as to how best to carry out the aims and principles which have guided Dr. Reid for so many years. A sub-committee of five trustees, appointed last April to act for Dr. Reid during his illness, is still carrying on pending a choice of a successor to Dr. Reid. In the meantime John Gilbert Reid, son of the founder, has been appointed secretary and superintendent of the Institute.

The trustees have decided to advertise for rent a portion of the Institute buildings, which would be highly suitable for school or hospital purposes, and to confine the activities of the Institute to the Yen Memorial Hall (the east wing) and to the main floor of the Low Memorial Hall (the center building).

A Definition of the Term, "Shanghai Mind"

A correspondent signing himself "O. D. R." contributed a letter to the *Shanghai Times* last week giving the following definition of the term "Shanghai Mind" which was coined by Arthur Ransome, special correspondent of the *Manchester Guardian*, in a series of articles dealing with the attitude of foreign residents in Shanghai toward Chinese affairs:

"By 'Shanghai Mind' I mean the thought of a man who supposes he can continue forever to enjoy, under obsolete sanctions, the comforts and safeguards of his homeland ten thousand or more miles away; who thinks these concessions are foreign territory in which Chinese live by sufferance; whose knowledge of Chinese is confined to 'compradores,' boys and coolies; whose social contact with Chinese is limited to staff dinners in native restaurants; whose cards and brass plates bear nonsensical Chinese characters obtained from uneducated compradores and office boys; whose philosophy is summed up in the phrase: 'I'm not out here for my health'; whose ambition is to retire to his homeland at an early age with a comfortable income; who cannot tell his friends at home anything about true Chinese culture; who knows nothing of Chinese painting, music, drama and literature—the first principles in an understanding of another and alien people; and whose present comforts are largely based upon satisfying glimpses of powerful gunboats lying beyond the Bund foreshore—gunboats there for quite definite humanitarian reasons, but not for the enforcement of privileges which rightly do not exist."

INCREASE IN SUBSCRIPTION PRICE

Effective on January 1, 1928

Owing to increased cost of production and decrease in advertising revenues incidental to depressed business conditions, THE CHINA WEEKLY REVIEW is forced to announce an increase in the subscription rate from Mex. $10 a year to Mex. $12 a year, including postage, for all subscribers residing within China.

For subscribers residing outside of China the rate will be increased from G. $7.50 a year to G. $10 a year, including postage, (in figuring exchange, count Mex. $2 for G. $1.)

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Nationalists Prepare For New Northern Drive

BY J. B. P.

Dr. C. C. Wu, Minister of Foreign Affairs and Sun Fo, Minister of Finance of the Nationalist Government at Nanking, have returned from Hankow where they conferred with members of the Kuomintang in that city and also with the Wu-han general, Tang Shen-tse. Aside from some general statements that the friction which had developed following the Nanking Kuomintang Conference, had been alleviated for the present at least, there has been no official announcement regarding intentions of the Nanking Government.

A New $24,000,000 Loan

But while official announcements have been lacking, there has been other evidence of the intentions of the Nationalist Government, the most important being a projected loan of $24,000,000 in Shanghai for the purpose of continuing the Northern campaign. According to the Chinese newspapers several conferences have been held in Shanghai participated in by members of the government and by members of Shanghai commercial and financial organizations for the purpose of floating a new loan on the Customs surtax. If the Nationalists are successful in this regard it will make a total of $54,000,000 which has been issued on this security, since the first loan of this character raised by Gen. Chiang Kai-shek amounted to $30,000,000. According to the report in the local Chinese newspapers, the meeting at the Chinese Chamber of Commerce was attended by some 60 members of the local gentry. Chang Shou-yung, vice-minister of finance of the government presided and addressed the meeting stating that the purpose of the loan was to finance a second expedition against the Northern militarists and for unifying the government. Of the $24,000,000 desired, it was proposed to allot $10,000,000 to meet certain needed immediate expenditures and the balance of $14,000,000 was for military purposes. In raising the money the following schedule was tentatively made out:

Administrative organs of Kiangsu and Chekiang Provinces	$15,000,000
Bankers.....	2,500,000
Leaders of various trades.....	2,500,000
Chinese emigrants in foreign-countries.....	4,000,000

At the close of the meeting Yu Ya-ching, prominent local shipping magnate, was appointed to proceed to Nanking to discuss the matter more thoroughly with the Government.

Mr. T. V. Soong, former Minister of Finance of the Nationalist Government at Canton and Later Occupied a Similar Position Under the Wu-han Government, Who Is Now in Tokyo Making a Study of Japanese Government Finance.

If this loan goes through, as now seems likely, it will have a tendency toward guaranteeing the conservative character of the Nanking Government, for it was reported previously that the Chamber of Commerce and Bankers Association had notified the Nationalist Government that no further loans would be advanced unless there was a definite guarantee on the part of the Government that so-called communist activities and labor agitations in the Shanghai industrial district, would be strictly prohibited.

Reasons for Yen's Reverse

The immediate purpose of the proposed loan is to enable Feng Yu-hsiang to join in the campaign against Marshal Chang Tso-ling, Feng being practically unable to move owing to his shortage of money and ammunition. And that there is need for this is indicated in the reports from the North which, while heavily censored, nevertheless show that Gen. Yen Hsi-shan is being defeated by Chang Tso-ling and forced back into Shansi province.

Various reasons have been offered for Gen. Yen Hsi-shan's failure to achieve a victory over Chang Tso-ling, but aside from Marshal Chang's great superiority of man-power and munitions, was the failure or inability of Feng Yu-hsiang and the Nationalists to come to his assistance immediately and also due to the failure of certain elements in the Fengtien camp to rebel against the Mukden warlord in accordance with schedule. These elements have been discussed previously in these columns of *The Review*, but reports from the Nationalist camp indicated that there were grounds for believing that Han Lin-chun, one of Marshal Chang's leading generals, was on the point of declaring his independence and joining the Nationalists, But this has not developed and the result has been that the Shansi tupan, Yen Hsi-shan has had to stand the brunt of the battle himself, and owing to the fact that Yen's troops are inexperienced in actual warfare due to Yen's long seclusion in his province, they have been unable to stand against the Mukden warlord's seasoned troops which have been through many battles and also are much better equipped. In addition to this Chang Tso-ling has had the advantage of the northern railways which radiate from Tientsin and Peking. He has had uninterrupted communication with his arsenal at Mukden and has been able to shift his troops from one front to the other, while Yen has been confined to the mountainous areas to the north and west of Peking.

Future Strategy

Since neither Feng Yu-hsiang nor the Nationalists have been able to come to Yen Hsi-shan's assistance, it is now reported that he will withdraw his troops to the mountain passes along the Shansi-Chihli border and will content himself with cavalry raids into Chihli until Feng Yu-hsiang and the Nanking generals are in a position to move. The only fighting south of the Yellow River of any consequence has been along the Lung-Hai Railway westward of Hsuchowfu, the junction point of the Lung-Hai and Tientsin-Pukow lines. Feng Yu-hsiang is reported to have moved eastward from Honan province into northern Kiangsu and is now engaged with the Chihli-Shantung forces at the town of Tangshan a short distance eastward of Hsuchowfu. The outcome of the battle is still unknown, but the precariousness of the position from the standpoint of the Chihli-Shantung forces was shown in the decision of Gen. Sun Chuan-fang last week to evacuate the city of Pengpu in Anhwei province, northward of Nanking. Nanking troops to the number of approximately 5,000 have been moved across the Yangtsze from Nanking in recent days for the purpose of assisting in the Northern expedition against Sun Chuan-fang and Chang Chung-chang in Shantung and finally against Marshal Chang Tso-ling.

Nanking Patches Up Trouble with Hankow

According to a report circulated by the *Kuo Min* news agency from Nanking on October 14, the delegation of Nanking officials which went to Hankow succeeded in patching up the trouble which developed with Gen. Tang Shen-tse, the Wu-han militarist, following the so-called reunification conference in Nanking. According to the report the Wu-han Kuomintangists and Gen. Tang have agreed to recognize the legality of the Central Special Committee of the Nanking Government pending the restoration of the Central Executive Committee and the Standing Committee of the Kuomintang and the calling of a general Kuomintang Congress. In exchange for this agreement on the part of Hankow the Nanking Government has promised to definitely define the authority and responsibility of both the Standing Committee and the Central

Special Committee. There now seems to be a genuine desire on the part of both Hankow and Nanking to reach a compromise in order that further internal trouble in the ranks of the party may be avoided.

Is Canton Going "Red?"

The city of Canton is now practically controlled by Gen. Chang Fa-kwei, the Cantonese commander who led the "iron brigade" from Canton last spring in the northern advance to the Yangtsze Valley. Owing to disagreement with Gen. Tang Shen-tse, Gen. Wang first removed his forces from Hankow to Kiukiang with the purpose of attacking Gen. Chiang Kai-shek at Nanking, but when Gen. Chiang retired, Chang Fa-kwei moved his forces southward through Kiangsi and finally back into Canton where he has, according to recent reports, practically displaced Gen. Li Chi-shen, the Canton commander who was appointed to office by Gen. Chiang Kai-shek. This has been responsible for a new flock of rumors, chiefly from British sources in Hongkong that a radical government is shortly to be re-established in Canton and that Wang Ching-wei, former chairman of the Central Executive Committee of the Kuomintang, who is a close friend of Chang Fa-kwei, will shortly return to Canton for the purpose of heading the new government. Wang Ching-wei is now reported to be in Shanghai, having returned here from Hankow where he participated in the conference with C. C. Wu, Sun Fo and Tang Shen-tse.

Nationalists Announce Combined Army and Navy Advance

According to a report of the *Kuo Min* news agency of October 18, the Nationalist Military Committee has announced a combined attack on the Northern militarists, Sun Chuan-fang and Chang Ching-chang, by both military and naval forces. The army will attack the Northerners by three routes, the 33rd, 34th and 35th army corps will move into northern Anhwei, the 7th, 10th and 40th army corps will advance northward along the Tientsin-Pukow Railway from Minkwang, while the 17th, 18th and 26th army corps will advance northward along the Grand Canal from Tsingkiangpu toward Haichow at the eastern end of the Lung-Hai Railway. The Nationalist Navy has also been ordered to attack the Northerners at Haichow and Tsingtao.

National City Bank Did Not Receive Parcels of Heroin

In reference to a statement appearing in literature distributed by the Chinese National Anti-Opium Association recently that the National City Bank of New York was "used as an agent of the illicit traffic in narcotic drugs," S. R. Brown, sub-manager of the Shanghai branch in a statement to *The Review* on October 18 stated that the allegation was incorrect. Mr. Brown said, "No parcel containing heroin or any other narcotic was ever received by this bank, or to our knowledge, addressed directly to us. On two occasions parcel post shipments from Europe containing heroin and morphine were addressed to local individuals in our care, without our knowledge, and in both those instances the parcels were confiscated by the Customs Authorities and destroyed."

Mr. Brown stated further in his letter that the National Anti-Opium Association had probably based the statement in their literature upon an inspection of the Customs records, which are open to the public. The allegation that the National City Bank was serving as an agent of the illicit traffic in narcotics, was contained in a circular distributed by the Association in conneetion with the annual observance of "Anti-Opium week."

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Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of CHARLES WILLIAM SHADE, deceased, to present the same with vouchers to the undersigned, on or before April 22, 1928, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

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Shanghai, China,
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Men and Events

L. K. Little of the J. W. Little Co., Pawtucket, R. I., arrived in Shanghai end of last week.

Miss Louise Giffin has been elected president of the Christian Endeavor Society in the American school.

Bishop L. H. Roots of Hankow occupied the pulpit at the Community Church, Shanghai, Sunday, October 16.

H. S. Moore, manager of the Century Electric Co. of St. Louis arrived in Shanghai recently on a business trip.

Dr. Yih Pei-kang, a returned student from America, has been appointed a judge in the Shanghai (Chinese) District Court.

The Columbia Country Club will hold its annual Autumn "Jinks and Hallowe'en Party" on the evening of Saturday, Oct. 29 at 9 0 0 clock.

Quo Tai-chi, commissioner of foreign affairs, accomanied Sir Fredrick Whyte on a trip to Nanking during the early part of the week.

Hugo Reiss, formerly vice president of Andersen, Meyer & Co., returned to Shanghai end of last week after a business trip to the United States.

Commander Baggsley U. S. N., accompanied by Mrs. Baggsley arrived in Shanghai from Seattle by the s. s. *President, Toft* October 13.

The seventieth anniversary of the founding of the Royal Asiatic Society, Shanghai branch, was celebrated October 20, when an address was made by Isaac Mason.

W. J. Wilson, superintendent engineer for the Dollar Steamship line, returned to Shanghai from a business trip to Manila by the s. s. *President Pierce* October 13.

The Shanghai Municipality (Chinese) has decided to take a census and also to place a stricter control over mushroom newspapers whose principal stock in trade is blackmail.

John R. Putnam, American Consul at Amoy accompanied by Mrs. Putnam and their child, departed this week for their home in the United States. They expect to be away about six months.

Milliken Brothers Mfg. Co., Inc., of New York has been amalgamated with the Blaw-Knox Company of Pittsburgh, manufacturers of an extensive and well-known line of heavy steel specialties.

Julean Arnold, American Commercial Attache, who came to Shanghai several days ago to meet Mrs. Arnold and their children who returned from a visit in America, returned to Peking last week.

C. L. Hoover, who has been American Consul at Batavia, passed through Shanghai with Mrs. Hoover end of last week enroute to Amsterdam, Holland, to which new post Mr. Hoover has been appointed.

E. L. McCloskey, former Westinghouse representative in Shanghai, has been appointed manager of a new branch of the Westinghouse Electrical International Co. in South America, with headquarters at Santiago, Chile.

J. F. Haggeman of the Belting and Leather Products Association, Inc., an American firm, is planning to depart early in November for the United States where he will be connected with the head office of his company. Mr. Haggeman has been in China for several years.

Judge Loo Hsing-yuen, whose dismissal from office as Chief Justice of the Provisonal Court in Shanghai, was announced last week, still continues on the bench. The Consular Body during last week sent a protest to the Nationalist authorities against the dismissal of Judge Loo.

W. P. Willson, for the past three years secretary of the American Club at Shanghai departed this week for his home in the United States, traveling by way of Europe. Prior to becoming secretary of the American Club, Mr. Willson was connected with the Pacific Mail Steamship Company in Shanghai. Mr. Willson does not plan to return to China.

W. L. Carleton, for many years with the China Egg Produce Co., and the acknowledged dean of the egg freezing profession in China, will depart permanently for the United States by the s. s. *President Jackson* leaving to-day. A special article giving details of the great egg freezing business which was built up by the China Egg Produce Co. under the direction of Mr. Carleton will be published in *The Review* in the near future.

Marquis Li, chairman of the governing board of the China Merchants Steam Navigation Co., in a recent public announcement gave notice that Joseph J. Keegan is no longer wharf manager of the company and that R. C. Howlett would for the time being have charge of the wharves. Mr. Keegan was in former years one of the managers in Shanghai, of Gaston, Williams and Wigmore, a firm which had a rather spectacular existence during the war.

Who's Who in China

Mr. Geo. T. W. Fong
方子衛
Fong Tsz-wei

Mr. Geo. T. W. Fong, popularly known as the "Father of Chinese Radio-broadcasting" is one of the best known radio engineers in China today. Mr. Fong comes from a well-known family in Ningpo, being the eldest son of Mr. C. P. Fong, noted Shanghai financial magnate, formerly vice-chairman of the Shanghai Chinese General Chamber of Commerce and now chief of the Arbitration Board of the Chamber. Mr. Fong was born in 1900 and obtained his Chinese classical education under the guidance and instruction of his father. After completing his high school education in Ningpo, Mr. Fong joined the Nanyang University in Shanghai to study science and engineering, graduating in 1919. Mr. Fong went to the United States in the Autumn of the same year to pursue advanced scientific studies. Mr. Fong first attended Harvard University and later joined the University of Michigan, graduating from both institutions with the degrees of E.E. and M.R.E. While in Michigan, Mr. Fong also took courses in law and became the recipient of the degree of L.B.S. upon his graduation. No sooner had he been graduated than he was offered a position by the New York office of the Radio Corporation of America and the Long Island Trans-oceanic Central Station. Later he joined the Westinghouse Co., where he completed the advanced graduate course offered by Westinghouse and made himself conspicuous by his improvement of the wireless Unicontrol of Superhetroyne andsuper-regenerative circuit and many other features of short wave work. Mr. Fong also worked in the World-wide Radio Broadcasting Station KDKA and took an active part in the record-making of the two-way first Trans-Atlantic Speech Communication between Pittsburgh and London. Upon his return to China in 1924, Mr. Fong was immediately appointed Director of the Government Radio Station in Woosung and consulting engineer to the Ministry of Communications. Mr. Fong distinguished himself by installing the new 5 K.W. Vacuum Tube Radio Transmitting Set without any foreign aid, thereby winning recognition from the Government and Chinese engineering circles. As soon as the installation was completed, two way communication was established between Mukden, Kalgan, Harbin, Yunnan and many other stations. At the same time, the old 5 K. W. Quench Spark Gap Set was reformed and improved in which Mr. Fong performed a record-feat, as the station signal was heard in Victoria and Australia. During

(Continued on page 221)

From the Chinese Press

(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

October 12—Chang Tso-ling offers prize of $400,000 for head of Yen Hsi-shan—Jotaro Yamamoto, new president of South Manchuria Railway in interview in Peking stated that Japan and China must work together in Manchuria due to co-existence of the two nations—*Toho* report from Peking states that casualties in Shansi-Fengtien war are heavy and all Fengtien hospitals are filled with wounded—Chang Tso-ling asks Diplomatic Corps to reassemble the Goods Valuation Conference for purpose of settling valuation on merchandise for customs purposes, on November 1, but not expected the Powers will comply—*Kuo Min* report from Hankow states that Chang Li-ao has assumed office as director of the ex-British Concession in accordance with the action of the Nanking Government and that the crisis with the British has passed—Nationalist Government has forbidden military officers to appoint any civilian officials or interfere in any way in civilian affairs—Sun Chuan-fang's forces evacuate Pengpu owing to advance of Nationalists toward Hsuchow-fu—Communist General Ho Lung captured with 3,000 troops while enroute from Kweitan to Haifong—Madame C. C. Wu, wife of Nationalist Foreign Minister arrested by Chang Tso-ling in Tientsin and held as hostage—Gen. Ho Yin-chin formally assumes office as head of the Chekiang Provincial Committee—Reported that Gen. Tang Shen-tse has captured and executed Gen. Chin Yun-ao, former Chihli party commander who went over to Nationalists and then rebelled against Feng Yu-hsiang in Honan and was driven into Hupeh.

October 13—Soviet dispatches commission of 16 officials to Japan to return call of members of House of Peers who visited Russia some time ago—Chihli-Shantung forces begin advance in Honan—New railway between Kirin and Liutao-hotzu, distance of 55 kilometers opened with ceremonies in Manchuria—Gen. Tang Shen-tse, Wu-Han commander in *Toho* interview declares that formation of Central Special Committee at Nanking was illegal and could not be approved by Hankow, but that the Nanking Government would be recognized as defacto while Hankow would attend to its own military and administrative affairs until the General meeting of Kuomintang in January—*Toho* report states that Yen Hsi-shan has given orders to his troops to withdraw—Japanese report from Peking states that Fengtien forces have joined up with the Chihli-Shantung troops on Kin-Han railway—Gen. Li Fu-lin's troops stationed in Tungkiang river region at Canton clash with troops of Gen. Chang Fa-kwei and reported that Gen. Chang will attempt to dislodge Gen. Li's troops from Honam section of Canton—Quo Tai-chi protests action of British troops in invading Chinese territory to protect property of British-American Tobacco Company—*Kuo Min* report states that Nationalist Government is cooperating with Feng Yu-hsiang in attacking Chihli-Shantung troops on Lung-Hai railway—Gen. Bei Tsung-chi appointed commander of the 13th Nationalist Army—Madame C. C. Wu, who was seized by Chang Tso-ling's troops in Tientsin still being held despite the fact that she is reported to be in ill health—First snow falls in Peking—Feng Yu-hsiang telegraphs Nanking Government asking that offensive be launched against Chihli-Shantung troops on Tientsin-Pukow Railway in northern Kiangsu—*Kuo Wen* report states that Yoshizawa has given his opinion that negotiations with Chang Tso-ling over the Manchuria and Mongolia questions should be postponed for the present.

October 14—Fighting develops in Foochow due to clash between troops of garrison commander Gen. Tang Shu-hsiang and Gen. Chen Ming-shu of 11th army; Gen. Chen apparently successful—Pirates loot launch in Hongkong of gold bars valued at $24,000—Gen. Chu Peh-teh offers resignation as chief commissioner of Kiangsi provisional govern-

(Continued from page 220)

the regime of Marshal Sun Chuan-fang as overlord of Kiangsu, Mr. Fong was appointed Directorof the South China Radio Administration, but for some reason he declined to accept the appointment. Mr. Fong is now the consulting engineer to the China Agency of the Westinghouse Co., member of the American Institute of the Electrical Engineers, Institute of Radio Engineers, International Amateur Radio Union, American Radio Relay League, Chinese Engineering Society, etc. In addition to his ability as a radio expert Mr. Fong is a legal scholar of no mean attainments. Mr. Fong will attend the forthcoming International Radio Conference in the United States in the capacity of delegate from China.

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Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of ESTHER W. CHAUNCEY, Deceased, to present the same with vouchers to the undersigned on or before April 7, 1928; and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

Shanghai, China.
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Shi Van Tai, General Manager of the Tsing Tai Cotton Mill.
Seu Tsing Jan, General Manager of the Poh Yei Cotton Mill.
Kou Van Yoon, Manager of the E. Zung Fong Cotton Yarn House.
Lou Cho Bin, Manager of the Mo Chang Cotton Yarn House.
Cheng Song Ding, Manager of the Zung Shen Cotton Yarn House.
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ment and in case same is accepted, Gen. Wang Chun may be appointed—*Toho* report from Peking states that Shihchiachuang on Peking-Hankow Line has been captured by Chihli-Shantung troops but same unconfirmed—Peking report claims Fengtien forces have captured 10,000 rifles, 70 field guns, 300 machine guns and 10,000 prisoners—Nanking officials visiting in Hankow reported to have reached agreement with Hankow faction to call extraordinary general meeting of Central Executive and Central Supervisory Committees, while Hankow is reported to have agreed to temporarily recognize the Nanking Central Special Committee—*Toho* report from Canton states that situation becoming tense between Gen. Li Chi-shen and Chang Fa-kwei and that Gen. Li owing to his smaller force may be compelled to evacuate—*Kuo Min* report states that Nanking and Hankow have, as a result of the trip of Sun Fo, C. C. Wu, Wang Ching-wei and others, "to compromise their differences and hasten the process of unity of the Kuomintang"—*Kuo Min* publishes report of massacre of Chinese in the Dutch East Indies, alleging serious atrocities and claiming many Chinese are still held in prison—Government Council in Nanking orders adoption of Supreme Court System—Peking Cabinet decides to issue loan of $5,000,000 on security of Belgian portion of Boxer Indemnity—Portion of Feng Yu-hsiang's troops moved from Chengchow to Tsechow—Peking report by *Kuo Wen* denies report of execution of Gen. Chin Yun-ao by Gen. Tang Shen-tse—Shansi troops cut railway 30 miles south of Peking but repulsed by Fengtien and road repaired—Chang Tso-ling orders 30 airplanes from Mukden—Martial Law declared in Tientsin—Pan Ta-tao, head of the Shanghai Law School assassinated by unknown assailant in French Concession; was once prominent in Peking politics—Shanghai Chinese Chamber of Commere, City Chamber and other Chinese organizations meet to discuss matter of issuance of $20,000,000 in treasury notes for Nationalist Government.

October 15—Toho report from Peking states that citizens of Kalgan are panic-stricken over prospects of city being retaken by Fengtien forces; that fierce fighting is taking place at Hsiahuayuan and that Shansi forces are retreating—Peking report states Chihli-Shantung forces have captured Kueiteh in Honan and that Feng's forces are retreating—Delayed report from Peking states that two regiments of Shansi troops suddenly appeared at Chochow, between Peking and Paotingfu, cut railway and isolated, Fengtien forces at Paotingfu; that heavy fighting has developed here, but that Gen. Chang Hsueh-liang claims a victory and reopening of the line—Chang Hsuehliang officially claims capture of Shihchiachuang on Peking-Hankow line forcing Shansi troops to retreat back into mountains—British residents of Hankow hold mass meeting and demand that British Government take action to restore conditions at Hankow and revise Chen-O'Malley agreement, otherwise troops should be landed and Chinese soldiers force to evacuate municipal property—*Kuo Min* report states that Yen Hsi-shan's forces have completely cut off Fengtien force at Paotingfu and that Chochow is still held by Shansi forces—Feng Yu-hsiang orders general attack on Chihli-Shantung troops on Lung-Hai railway with object of capturing Hsuchowfu at junction of Tientsin-Pukow and Lung-Hai lines—*Kuo Min* report states that Gen. Yen Hsi-shan is still in control of Shihchiachuang despite reports to contrary from Fengtied sources in Peking—Gen. Bei Wen-wei resigns from command of Nationalist 33rd army and Gen. Chang Kei-yao appointed to position—Lian Seng-hai officially appointed chief secretary of government council—Gen. Bei Tsing-chi, defense commissioner of Shanghai orders reorganization of Shanghai Volunteer Corps in order to help maintain peace in Shanghai district—Nationalist Military Committee states that 100,000 men are being mobilized for service against the Chihli-Shantung forces in Shantung—Gen. Chang Chung-chang dispatches armored trains from Peking manned by White Russians along the Lung-Hai line against Feng Yu-hsiang—Nationalist Government, according to *Kuo Wen* report has ordered abolition of all provincal judicial departments and incorporation of all courts under Nationalist Ministry of justice—Sun Fo, Minister of Finance and Chin Shi-yi, head of Tariff Department, return to Shanghai from Nankirg—Nationalists prepare to dispatch troops of 9th and 26th divisions from Shanghai for Northern campaign.

October 16-17—Toho report states that some 3,000 Shansi troops are still holding Chaochow which Fengtienites unable to dislodge; reported that Shihchiaehuang definitely captured by 15th and 29th Fengting divisions; Shansi force which appeared at Mentaokou repulsed by Fengtien forces; Martial law declared in Peking and no street traffic permitted after 10 p. m.; Fengtien forces under Gen. Kao Wei-yo occupy Kalgan after Shansi troops evacuate—Feng Yu-hsiang reported concentrating at Loyang and Japanese report from

(*Continued on page 223*)

New Books of Interest in the Far East

The Land of the Free

The Story of Civil Liberty in the United States. By Leon Whipple. New York: Vanguard Press, Inc.

The cynic is likely to remark, upon glancing at the 329 pages of Professor Whipple's work on civil liberty in the U.S.A., "My! What a big book on such a small subject!" As a matter of fact, the account is not of civil liberty in the U.S.A., so much as of violations of civil liberty. As a result, the volume is crowded with data, beginning from pre-Revolutionary times, covering the persecutions of Quakers, Abolitionists, labor unionists, anarchists, eugenists, women suffragists, pacifists, socialists, Mormons, Catholics, and others who committed the crime of thinking differently from the mob and the *Polizei* of their day and generation. Crimes against negroes, Chinese, Irish, and others who were not even guilty of the offense of thinking are also dealt with briefly.

Some of those who regard the U.S.A. as the land of the free and home of the brave will not read this book. To the more intelligent person, who wants to understand how the American people got into their present mess, the work will be useful. Particularly will it be of value to those who look upon the absolute suppression of civil liberty beginning in 1917 as a bolt out of a clear sky. As a matter of fact, the ground had been prepared long before 1917. More than a century ago the first labor unionists were being jailed and fined for criminal conspiracy to raise their wages, free-thinkers punished for blasphemy, political radicals incarcerated for "sedition." Mobs were lynching Federalists for criticizing the war in 1812, killing Mormons and Catholics for being Mormons and Catholics, mobbing Abolitionists and other social reformers. The post-office department began its snooping almost a century ago, when southern post-offices refused to handle abolitionist literature. Wholesale arrests of citizens suspected of political disloyalty during the Civil War probably exceeded the number of political prisoners in American jails during the war with Germany, the total number being given as 38,000 in the North alone for the period of the Rebellion.

The book, unfortunately, comes down only to 1917. We presume that after this period the author gave up hope, as the violations of civil liberty since that time would fill several volumes the size of the one now under review. The Espionage Act, the criminal syndicalism, criminal anarchy, and "red flag" laws in various states, the Volstead Act and the Eighteenth Amendment, not to speak of Anti-Evolution and other laws against thinking, have given the last mortal blows to American freedom. Perhaps that is the author's real point,—that since 1917 there has been no civil liberty to write about.

Professor Whipple is very careful in his data, most of which is based on Government reports. He leaves out some of the most serious violations of civil liberty, however, such as the massacre of the I.W.W. excursionists in Everett in 1916, the killing of I.W.W. members in San Diego and Spokane in the "free speech fights" there, the arrests of Socialists in Philadelphia for carrying a banner inscribed with Amendment I to the United States Constitution, etc. He also omits reference to the frequent and now common violation of the citizen's right to inviolability of domicile. In general, therefore, it can certainly not be said that the book paints things in too dark colors, except, perhaps, with regard to the early Revolutionary period, when there was a real love of liberty abroad in the land which such men as Jefferson, Franklin, Paine and others gave noble expression to, and which is given little or no appreciation in Dr. Whipple's book. This aspect of the matter is dealt with splendidly in Prof. Chafee's "Freedom of Speech."

The present reviewer intends some day to publish a work of his own on "Civil Liberty in the U.S.A." There will be the conventional cover and fly-leaf, after which will appear a single blank page.

FRANK GODWIN

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(*Continued from page 222*)

Peking alleges that Feng is preparing to invade Shansi—British send crusier to Chefoo to prevent Gen. Chang Chung-chang from looting Hongkong and Shanghai Bank in order to obtain salt revenues—Peking Chinese bankers advance loan of $1,000,000 to Chang Tso-ling—British Consul-General protests Chinese boycott against British-American Tobacco Co., reserving right to claim damages—Some 15,000 Nationalist troops cross Yangtsze at Nanking for Northern advance—Panicky conditions prevail in Peking area with farmers fleeing to Peking for protection—T. V. Soong, former Minister of Finance at Hankow arrives in Tokyo for study of Japanese Government finance methods—*Kuo Min* report states that Hankow Kuomintangists have petitioned Nanking group urging early calling of national congress of Kuomintang in order to elect a new Central Executive Committee—*Kuo Wen* report from Nanking states that Nationalists have decided to put 200,000 men in field against Fengtien—Chang Tso-ling trying to float $5,000,000 on security of Belgian share of Boxer Indemnity—Peking Foreign Office appoints Tai Chung-lin and Hu Shi-tsai to discuss with French the question of revison of the Sino-French treaty.

October 18—Toho report from Peking states that Shansi troops which retreated from Kalgan are making stand against Fengtien troops at Chikoupu and Huaian; telegraphic communication restored between Peking and Kalgan; Shansi forces on Kin-Han line holding positions at Fuping, Pingshan and Chinghsing; Generals Chang Hsueh-liang and Han Lin-chun offer prize of $1,000,000 to the first Fengtien unit capturing Taiyuanfu, capital of Shansi—Japanese report from Peking states that delegates of Yen Hsi-shan in Tientsin have offered a compromise with Fengtien on the basis of Yen's subordinates Shang Chen and Hsu Yuan-chuan be discharged for starting hostilities; that the whole of the Peking-Suiyuan Railway and Suiyuan Special district be handed over to Fengtien; Nationalist flag withdrawn and a portion of the Chengting-Taiyuen Railway be given over to Fengtien—Chinese General Chamber at Shanghai announces loan of $24,000,000 for Nationalist Government to complete the military phases of the revolution—Nationalist Government, according to *Kuo Min* report definitely announces plans for Northern advance along Tientsin-Pukow Railway and Grand Canal and also through Anhwei against the Lung-Hai Railway; also orders Nationalist Navy to attack Tsingtao; Sun Fo hands over to Military Council sum of $800,000 which he raised on recent trip to Shanghai—Reported that many students are arrested in Peking on account of Nationalist leanings—Martial law declared in Peking and hotels being searched for Feng Yu-hsiang adherents—Troops of Liu Hsin-hui a subordinate of Tang Shen-tse, which have occupied Wuhu, are being withdrawn and replaced by troops from 7th National army from Nanking—Generals Cheng Chien and Ho Yin-chin appointed commanders of Nationalist troops on Tientsin-Pukow and Lung-Hai Railways—Sun Chuan-fang troops on Tientsin-Pukow Line continue retreat northward—Nationalists send large supplies of foodstuffs northward from Shanghai for use of troops—Nationalists appoint Wang Chen-tsu as head of the Shanghai Mint which is shortly to be opened—Gen. Tan Yen-kai at Nanking requests Wang Ching-wei to come to Nanking as quickly as possible—Peking report by *Kuo Wen* states that 700 prisoners captured in fighting on Kin-Han line.

Gasoline War Starts In India

A price war over gasoline has begun in India. It is alleged that the Standard Oil Co. of New York has procured large stocks of gasoline which had been confiscated by the Soviet Government and is offering this gasoline for sale in Bombay and Calcutta. As a consequence the Asiatic Petroleum, the Burma Oil and the Indo-British Oil companies have reduced their rates.

The True Story of Ah Q

A character sketch of a Chinese rustic by Lu-hsun, foremost scholar and writer of the new literary movement in China. "Ah Q" is the first noteworthy creation of the new literature. This piquant, ever-animated sketch delights us with the quaint whims and utterances of villagers. The English translation is admirably done by G. K. Leung. $1.20

The Commercial Press, Ltd., Publishers

Latest New York Stock Exchange Quotations

Oct. 19, Supplied by J. E. Swan & Co. Tel. C. 6615 6619.
Market Closed Irragular Business Done 2,000,000

STOCK	Previous Price	Latest Price
Allied Chemical & Dye (Common)	156	153½
American Can (Common)	64¼	65
American Radiator (Common)	137	135
Amer. Smelting & Refining (Common)	168	165⅜
American Telephone & Tel. (Common)	182⅞	180½
American Tobacco "B"	151	149½
Baldwin Locomotive Co. (Common)	251¼	249
Bethlehem Steel (Common)	55¾	55
Bethlehem Steel, Pfd. 7%	116⅝	117¾
Canadian Pacific Railway		192⅜
Canada Dry Ginger Ale	52	50⅝
Cheasapeake & Ohio (Common)	212½	mutilated
Eastman Kodak Co. (Common)	166¾	164⅞
General Baking "A"	74⅜	74¼
General Electric (Common)	134¾	132⅝
General Motors (Common)	238⅞	236½
Goodrich (B.F.) Co. (Common)	81½	79¼
International Match, Pfd.	87⅞	88¼
International Nickel (Common)	68⅛	68¼
Ligget & Myers, Class "B"	123⅜	122¾
Mack Trucks (Common)	107¼	105½
New York Central (Common)	167⅞	163
Packard Motor Car Co. (Common)	47⅜	48⅞
Phillips Petroleum (Common)	39	38⅞
Pacific Gas & Electric	42⅝	42
Radio Corp. of America (Common)	68½	72¼
Reynolds Tobacco, Class "B"	148⅞	147½
Standard Gas & Electric (Common)	62⅝	62
Schulte Retail Stores (Common)	52	52½
Southern Railway (Common)	133½	132⅛
Standard Oil of California	53¼	53¼
" " of New Jersey	39⅜	39
" " of New York	30⅝	30½
" " of Indiana	72	72⅛
Texas Corporation (Common)	49¾	50
Tobacco Products "A"	111	112
Union Carbide	132	131¾
Union Pacific RR. (Common)	191¾	190
United Fruit	143	139
United Drug (Common)	191½	188
United States Rubber (Common)	51	53⅝
United States Realty & Imp. Co.	62½	61½
United States Steel		145

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Oct. 6th	Sale Price Oct. 13th	Approx. Yield to Maturity Oct 13th
Czecho Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	108¾	108¾	7.25
Czecho Slovak Govt. Ext. S. F. Loan.....	7	Oct. 1, 1945	106	106	6.90
Republic Chile S.F. Loan	7	Nov. 1, 1942	101⅛	101⅛	6.85
Argentine Ext. S.F. Loan	6	May. 1, 1960	99½	99½	6.05
Italy, Ext. S. F. Loan..	7	Dec. 1, 1951	99⅛	99	7.10
Austrian S. F. G. Loan..	7	June 1, 1943	104	105	6.50
French Ext. S. F. Loan	8	Sept. 15, 1945	110⅞	110⅜	6.95
Japanese Govt. (£).....	5	1907/1947	83⅜	83⅜	6.50
German Govt. S. F. Loan	7	Oct. 15, 1949	107	107	6.40
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	101⅞	101½	6.85
Saxon Public Works Inc. 1st Mtge. S. F. Loan ..	7	Feb. 1, 1945	102⅛	102	6.80
German G.E.C.S.F. Loan	7	Jan. 15, 1945	104⅛	104½	6.55
Finnish Guaranteed Municipalities S. F. Loan...	6½	Oct. 1, 1954	99½	99⅞	6.55
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	99	98½	6.65
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	100	100	6.50
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	101⅛	101½	7.35
Camaguey Sugar Co. 1st. Mtge. S. F. Loan.....	7	Oct. 15, 1942	100½	100 (Bid)	7.00
Pennsylvania Dixie Cement Cumulative...	7	Pfd. Stock	94	95⅛	7.36
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	98	97½	7.18
Willys Overland Co.....	7	Pfd. Stock	95	95	7.37
The National City Bank of New York.....	20	Stock	735	718	2.78
Republic of Peru, Ext. Secured S. F. Loan...	7½	Sept. 1, 1956	103½	103⅝	7.20

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, October 19, 1927

By Maitland, Fearon and Brand

Exchange:—A steady rise in the price of Bar Silver has taken place in London during the past week, today's quotations of 25 15/16d. ready and 26d. two months forward are respectively ¾d. and 5/16d. above those ruling this day last week.

The official T/T rate on London, after remaining unchanged @ 2/6d. for nearly a month was today raised to 2/6⅛d., at which rate the market closes. The exchange market, generally speaking, has followed the course of Silver and rates have slowly but steadily advanced. Imports continue to be dull but towards the end of the week a fair amount of export was placed on the market which in consequence attained a higher level. The market is only steady at the close of today's business, with the following rates for Gold remittances, near delivery, available:—T/T on London 2/6¾d. New York 62½ Yen 74⅜, 4 m/s export paper can be placed, Sterling 2/7 5/16d., G. $ 63⅞.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 65,787,000 an increase of Tls. 411,000
Chinese and Mexican Dollars..... $ 77,320,000 a decrease of $ 1,200,000
Estimated value Tls. 121,457,000 as against Tls. 130,398,000 held at this time last year.

	Average rates for Oct.	Thursday Oct. 13	Friday Oct. 14th	Satur. Oct. 15th	Monday Oct. 17	Tuesday Oct. 18	Wednesday Oct. 19
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/5 830	2/6	2/6	2/6	2/6	2/6	2/6
D/Dfts ,,	—	2/6 1/16	2/6 1/16	2/6 1/16	2/6 1/16	2/6 1/16	2/6 9/16
4 m/s ,,	—	2/6¼	2/6¼	2/6¼	2/6¼	2/6¼	2/6¾
T/T India	165.990	166¾	166¾	166¾	166¾	166¾	169⅓
T/T France	1,540,600	1550	1550	1550	1550	1550	1570
T/T N. Y.	60.410	60⅞	60⅞	60⅞	60⅞	60⅞	61⅞
T/T Demand		61	61	61	61	61	62
T/T Hamburg		255¼	255¼	255¼	255¼	255	260
T/T H'kong	79.815	79½	79½	79½	79½	79⅜	79¼
T/T Japan	77.495	76⅝	76⅝	76⅝	76½	76½	75⅝
T/T Batavia	150.400	151¼	151¼	151¼	151¼	151¼	153¼
T/T Straits	93.260	92¾	92¾	92¾	92¾	92¾	91¾
Bk's buying rates 4 m/s B/L. Cred. D/A	2/7. 830	2/8	2/8	2 8	2/8	2/8	2/8½
4 m/s ,, D/P	—	2/8⅛	2/8⅛	2/8⅛	2/8⅛	2/8⅛	2/8⅝
6 m/s ,, B/L Cred D/A	2/8.1425	2/8 5/16	2/8 5/16	2/8 5/16	2/8 5/16	2/8 5/16	2/8 13/16
4 m/s B/F Cred D/A or D/P	1,670.600	1680	1680	1680	1680	1680	1/05
4 m/s N.Y.Lc.	63.910	64⅛	64⅛	64⅛	64¼	64¼	65⅛
4 m/s ,, Docs	—	64¾	64¾	64¾	64¾	64¾	65⅝

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Oct. 13	Oct. 14	Oct. 15	Oct. 17	Oct. 18	Oct. 19
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	25¾	25 11/16	25⅝	25⅝	25 13/16	25 15/16
**New York Price of Bar Silver per oz. (Pure)	G. $.55¾	G. $. 55⅞	G. $. 56⅛	G. $. 56	G. $. 56¼	G. $.56¼
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	Tls. 370.00	Tls. 368.08	Tls. 368.50	Tls. 364.40	Tls. 362.20	Tls. 362.80
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110.90	110.90	110.90	110.90	110.90	110.90
Shanghai Mexican Dollars per $100,....	72.875	72.8	72.75	72.6	72.75	72.675
Native Bank Rate of Interest (Call money).....	3%	3%	3%	3%	3%	3%
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.08
Bank of France rate of discount	5%	New York on London	T/T 487
London open Market of Dis, 3 m/s	4⅜%	Bombay on London	T/T 1/5 15/16
,, 4 ,,	4⅜%	Hongkong on London	T/T 1/11 7/16
,, 6 ,,	4⅜%	Kobe on London	T/T 1/10 7/16